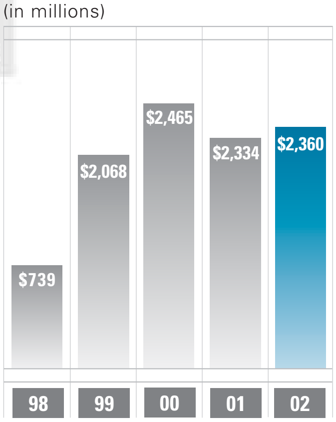
DURA AUTOMOTIVE SYSTEMS INC.

2002 Annual Report

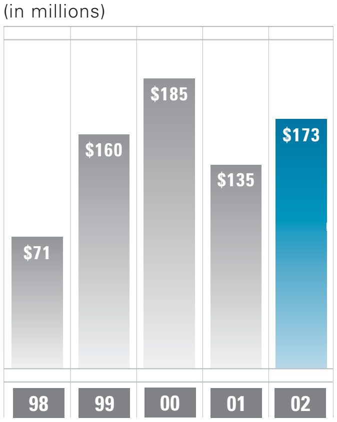
DURA SmartPark™ Electronic Parking Brake System

corporate profile

Revenues*
(in millions)



Operating Income*
(in millions)



DURA Automotive Systems, Inc. (Nasdaq – DRRA), is the world's largest independent designer and manufacturer of driver control systems, and a leading global supplier of seating control systems, engineered assemblies, structural door modules and integrated glass systems for the global automotive industry.

DURA is also a leading supplier of door and window systems, engineered components and gas appliances to the North American recreation vehicle and mass transit market.

DURA sells its automotive products to every North American, Japanese and European original equipment manufacturer (OEM) and many leading Tier I automotive suppliers.

DURA's primary business objective is to grow and prosper by continually designing and manufacturing high quality innovative products that create superior value for customers. The company capitalizes on systems sourcing, consolidation, globalization and new technology trends in the global markets it serves.

DURA's corporate headquarters is in Rochester Hills, Michigan.

2003 Lincoln Aviator
DURA Tailgate Glass Module

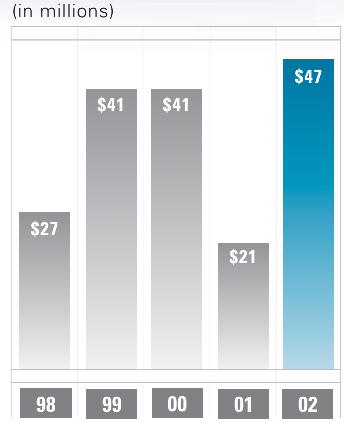
2003 Ford Explorer / Mercury Mountaineer
DURA Tailgate Glass Module

financial highlights

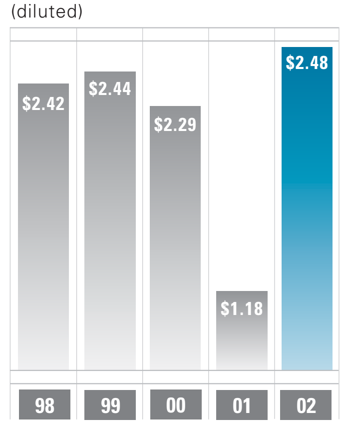
(Dollars in thousands, except per share amounts)

Years Ended December 31,	**2002***	**2001***
Revenues	$2,360,323	$2,333,705
Operating income	172,621	134,896
EBITDA (excluding one-time items)	258,063	248,649
Income from continuing operations	46,524	21,224
Diluted earnings per share	2.48	1.18
Total assets	1,936,933	2,121,604
Net debt	932,971	1,040,280
Cash flow from operations	204,240	232,635
Diluted common and common equivalent shares outstanding	19,759,000	18,003,000
Number of employees	18,000	20,000

Income from continuing operations
(in millions)



Earnings per share*
(diluted)



* Amounts presented are from continuing operations except for total assets and number of employees.

TO OUR shareholders

Lawrence A. Denton

Scott D. Rued

I've been in the automotive industry more than 30 years, and I am extremely excited to have the privilege to lead a company with such tremendous potential, exceptional technology and great people. Over the past year, DURA made considerable progress in positioning the company for future prosperity – through divestitures and some painful, yet necessary, restructuring. Now our task is to move forward, and while the coming year will challenge suppliers and manufacturers alike, I'm confident that we've put the pieces in place for a successful year for DURA Automotive Systems.

2002 Solid Year

Overall automotive and recreation vehicle industry volumes were healthy in 2002, allowing our operations to benefit from higher production levels. Revenue from continuing operations increased to $2.36 billion from $2.33 billion in 2001, and operating income for the year increased 28 percent, to $172.6 million versus $134.9 million in 2001.

Throughout the year, we strengthened our balance sheet, reducing net debt by more than $100 million and generating increased cash flow. Key among our efforts to improve the financial strength of the company was the issuance last April of $350 million in senior unsecured notes that were used to reduce borrowings on our existing credit facility. A substantial portion of DURA's debt maturity is now extended out to 2008. Moreover, our interest expense has declined as a result of our favorable interest rate swap and lower interest rates.

All Belts to Seat (ABTS) Six Way Power Adjuster

We also sold several businesses that did not complement our long-term emphasis on technologically advanced, higher-margin components. These divestitures not only helped the company reduce debt, but also freed up both human and financial resources for other strategic initiatives. Last spring we sold our Steering Gear product line and most significantly, exited a number of non-core businesses in North America and Europe during the fourth quarter. These actions included the divestiture of DURA's European Mechanical Assemblies business; the planned closure of two facilities; and the exit from the majority of our conventional window regulator business. The European Mechanical Assemblies business generated annualized revenues of approximately $90 million and our conventional window regulator business had annualized revenues of approximately $95 million. In total, the businesses we decided to exit or divest in 2002 contributed about $225 million in revenue. These actions were in line with DURA's strategic plan to focus on core businesses, which we believe will increase our return on invested capital and enhance our profitability.

These corporate actions did not deter us from launching important new products and maintaining our focus on quality and performance. In the fourth quarter, we introduced our fourth electronic parking brake system,

DURA Automatic
Shift System

DURA Power Adjustable
Pedal System

"SmartPark™," on the new Jaguar XJ model. As you know, this product is also on the new 2003 Lincoln LS and on the new Jaguar S-Type. This proprietary innovation eliminates manually operated parking brakes and our "SmartPark™" introduction further expands our footprint in this space. Additionally, we began shipments of the new Audi A8 all-aluminum door headers. Other key introductions include aluminum door modules for the Volkswagen Touareg and the Porsche Cayenne SUVs. We launched the Atwood power leveling system "Levelegs™" for recreation vehicles and began shipments of an integrated tailgate and glass module for the Lincoln Aviator.

During the year, DURA was recognized for its operational excellence. In May, the company received the Honda Delivery Performance Award for its supply of jacks to the Honda Accord and Acura sedans. Further awards were received from Toyota, Volkswagen, Nissan and Subaru, and over 30 of DURA's facilities received our internal quality performance award for exceeding customer criteria. Shipping quality product on time is a mainstay of the DURA Operating System.

2003 Outlook

In 2003, DURA will focus on three key areas:

- We will continue to review our existing businesses to verify that we are only investing in those with acceptable returns. Our objectives are to participate in markets where we see potential growth prospects or have good market differentiation. Our key markets range from commodity-like products where we compete as a high-volume, low-cost manufacturer, to advanced integrated systems where our products are distinguished by proprietary technology and differentiation. While DURA has been acquisitive in the past to diversify our customer base and product portfolio, we expect the future to focus on investments that support organic growth and both rifle-focused acquisitions and partnerships to assist us in that effort.

"Over the next three years, we will ignite our growth engines and accelerate new net business awards toward a target of 6 to 8 percent annually. This will require a more focused investment approach to our new products and technologies, and an enrichment and appropriate reallocation of our resources."

“Our objectives are to participate in markets where we see potential growth prospects or have good market differentiation.”

Atwood® Remote Control Landing Legs

- We will continue to expand the manufacturing of our core commodity-like products into regions with low manufacturing costs. We have made great progress in our start-up of Eastern European locations, in the second quarter announcing the opening of our new operation in Slovakia for the body and glass systems business. We also continued to staff, train and launch three other facilities in the Czech Republic. These Eastern European facilities will also provide opportunities for growth with OEMs located in the region. In 2003, you will see us continue these efforts in Eastern Europe and accelerate similar initiatives in Asia.
- We will accelerate our investment in new technologies with growth potential. While we were pleased with the products we introduced in 2002, we are not satisfied with the company’s level of organic growth. Over the next three years, we will ignite our growth engines and accelerate new net business awards toward a target of 6 to 8 percent annually. This will require a more focused investment approach to our new products and technologies, and an enrichment and appropriate reallocation of our resources.

These are ambitious goals for 2003, especially in light of our outlook for the industry. DURA was early in adopting a very conservative view of the automotive and recreation vehicle sectors, an outlook that has helped us in our planning process. Assuming that continued economic and geopolitical uncertainties persist, we could be in for a difficult year for the automotive and recreation vehicle industries.

However having built a very solid foundation, we remain committed to accelerating new product development while managing our expenses, and allocating our human resources toward areas that complement our growth initiatives.

In 2003, DURA shareholders can look forward to leadership with a passion for this industry. The DURA management team will focus on executing our three-pronged strategy of investing only in businesses that exhibit acceptable returns, continuing to boost our global manufacturing efficiency and OEM reach by expanding production of commodity-like products in low-cost regions, and accelerating our organic growth rate through investments in new growth technologies. This strategy will enhance DURA’s performance, maximize shareholder value and ensure the company’s long-term sustainability.

Lawrence A. Denton
President and Chief Executive Officer

Scott D. Rued
Chairman

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the fiscal year ended:	**Commission file number:**
December 31, 2002	**0-21139**

DURA AUTOMOTIVE SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**38-3185711**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**
2791 Research Drive	
Rochester Hills, Michigan	**48309**
(Address of Principal Executive Offices)	**(Zip Code**

Registrant's telephone number, including area code:
(248) 299-7500

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Class A Common Stock, par value $.01 per share

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☒ No ☐

As of March 3, 2003, 16,508,198 shares of Class A Common Stock of the Registrant were outstanding. In addition, 1,761,150 shares of Class B Common Stock of the Registrant were outstanding at March 3, 2003. The aggregate market value of the Class A Common Stock of the Registrant as of June 30, 2002 (based upon the last reported sale price of the Common Stock at that date by the Nasdaq National Market System), excluding shares owned beneficially by affiliates, was approximately $339,335,063.

Information required by Items 10, 11, 12 and 13 of Part III of this Annual Report on Form 10-K incorporates by reference information (to the extent specific sections are referred to herein) from the Registrant's Proxy Statement for its annual meeting to be held May 20, 2003 (the “2003 Proxy Statement”).

DURA AUTOMOTIVE SYSTEMS, INC.

Annual Report on Form 10-K

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PART I

Item 1. *Business*

(a) General Development of Business

General

Dura Automotive Systems, Inc. (a Delaware Corporation) and its subsidiaries (collectively referred to as "Dura") is the world's largest independent designer and manufacturer of driver control systems for the global automotive industry. Dura is also a leading global supplier of seating control systems, engineered assemblies, structural door modules and integrated glass systems.

Dura sells its products to every major North American, Japanese and European automotive original equipment manufacturer ("OEM"). Dura has 57 manufacturing and product development facilities located in the United States, Brazil, Canada, Czech Republic, France, Germany, Mexico, Portugal, Slovakia, Spain and the United Kingdom. Dura also has a presence in Japan, India and China through alliances, joint ventures or technical licenses.

Over the past ten years, the automotive components supply industry has undergone significant consolidation and globalization as OEMs reduced their supplier base. In order to lower costs and improve quality, OEMs are awarding sole-source contracts to full-service suppliers who are able to supply larger portions of a vehicle on a global basis. OEMs' criteria for supplier selection include not only cost, quality and responsiveness, but also full-service design, engineering and program management capabilities. OEMs are seeking suppliers capable of providing complete systems and modules rather than suppliers who only provide separate component parts. In addition, they require suppliers to have the capability to design and manufacture their products in multiple geographic markets.

In response to these trends, over the past several years Dura has pursued a disciplined acquisition strategy that has provided a wider variety of product, manufacturing and technical capabilities. Dura has broadened its geographic coverage and strengthened its ability to supply products on a global basis. As a full-service supplier with strong OEM relationships, Dura expects to continue to benefit from the supply base consolidation trends.

Approximately 67 percent of Dura's 2002 revenues were generated from sales to OEMs manufacturing vehicles in North America, with its major customers being Ford, GM, DaimlerChrysler, Toyota, Honda, Nissan/Renault and Fleetwood. Dura manufactures products for many of the most popular car, light truck, sport utility vehicles and recreation vehicles sold in North America including: the Ford F-Series pickup, Explorer SUV and Taurus, the GM Silverado/Sierra pickup, Trailblazer and Cavalier, the Dodge Ram pickup, the Toyota Camry, and the Honda Accord and Civic. Approximately 32 percent of Dura's 2002 revenues were generated from sales to OEMs manufacturing vehicles in Europe, including Volkswagen, Mercedes, PSA (Peugeot and Citroën), BMW and Renault. Dura is generally the sole supplier of the parts it sells to OEMs and will continue to supply parts for the life of the model, which usually ranges from three to seven years.

Industry Trends

Dura's performance and growth is directly related to certain trends within the automotive market. The consolidation of the component supply industry includes the growth of system sourcing and the increase in global sourcing.

OEM Supplier Consolidation. During the 1990s and continuing into 2003, OEMs have continued to reduce their supplier base, awarding sole-source contracts to full-service suppliers. As a result, OEMs currently work with a smaller number of suppliers each of which supplies a greater proportion of the total vehicle. Suppliers with sufficient size, geographic scope and financial resources can best meet these requirements. This environment provides an opportunity to grow by obtaining business previously provided by other non full-service suppliers and by acquiring suppliers that further enhance product, manufacturing and service capabilities. OEMs rigorously evaluate suppliers on the basis of product quality, cost control and reliability of delivery, product design capability, financial strength, new technology implementation, facilities and overall management. Suppliers that obtain superior ratings are considered for new business. These supplier policies resulted in significant consolidation of component suppliers in certain segments, Dura believes that opportunities exist for further consolidation within the vehicle component supply industry. This is particularly true in Europe, which has many suppliers with relatively small market shares.

System Sourcing. OEMs increasingly seek suppliers capable of manufacturing complete systems of a vehicle rather than suppliers who only produce individual parts that comprise a system. By outsourcing complete systems, OEMs are able to reduce their costs associated with the design and integration of different components and improve quality by enabling their suppliers to assemble and test major portions of the vehicle prior to beginning production. Dura has capitalized on this trend by designing its mechanisms and cable systems to function together and by providing mechanism and cable designs that are integrated into the design of the entire vehicle.

Module Sourcing of Interior Products. As OEMs continually seek to reduce their costs and asset base, they are increasingly relying on suppliers to produce integrated modules. Modules, which differ from systems, are sub-assemblies at a specific location in the vehicle that incorporates components from various functional systems and are supplied to the OEM already assembled. A system refers to a specific function within the vehicle that incorporates components, which may be dispersed throughout the vehicle. Interior modules or complete interiors can include the cockpit, seats, doors, door trim, overhead, electronics and other components. Often the modules are supplied to OEM factories on a just-in-time basis, which involves the complex sequencing of discrete modules with specific vehicle build schedules. Suppliers with in-line-vehicle-sequencing ("ILVS") capabilities will have access to these contract opportunities. Dura continues to invest in and expand its ILVS capabilities for products such as complex glass modules and exterior trim packages.

While current OEM purchasing strategies do not allow for single outsourcing of interior mechanical assemblies, Dura believes that the trend toward module outsourcing will change this environment. As a result, the buying power of emerging interior suppliers will increase rapidly as sourcing responsibility is delegated through modular outsourcing. This anticipated change in outsourcing strategies will present Dura with significant opportunities to provide "one stop shopping" of complete interior mechanisms.

Global Sourcing. Regions such as Asia, Latin America and Eastern Europe are expected to experience significant growth in vehicle demand over the next ten years. OEMs are positioning themselves to reach these emerging markets in a cost-effective manner by seeking to design and produce "world cars" which can be designed in one vehicle center but produced and sold in many different geographic markets, thereby allowing OEMs to reduce design costs and take full advantage of low-cost manufacturing locations. OEMs increasingly are requiring their suppliers to have the capability to design and manufacture their products in multiple geographic markets.

Dura has approximately 30 manufacturing facilities outside the United States, including locations in Brazil, Canada, Czech Republic, France, Germany, Mexico, Portugal, Slovakia, Spain and the United Kingdom. In addition, Dura has formed strategic alliances, which range from investments in other manufacturers to informal understandings, which are designed to provide Dura access to new customers and geographic markets including Japan, India and China, and also the capability of offering complementary products. Dura has technical design and development capabilities in each of the regions that it has manufacturing facilities. Dura has also relocated technical personnel resources to locations in which OEMs will develop "world cars." By participating in the design of these vehicles and through implementation of manufacturing processes near the point of use, Dura believes it can continue to expand on its international presence.

Full Service Supplier Responsibilities. Suppliers are becoming more integrally involved in the vehicle design process and have begun to assume more system integration functions. As a result, OEMs are increasingly looking to their suppliers for contribution when faced with product recalls, product liability or warranty claims. In addition, with the competitive nature of the automotive industry there is substantial and continuing pressure from the OEMs to reduce costs, including the costs of products purchased from outside suppliers. This forces suppliers to generate sufficient cost savings to offset these price reductions.

Utilization of Light-Weight Materials. Concern over the impact of the automotive industry on the environment has been growing resulting in European and U.S. regulations of vehicle emissions becoming more stringent. The automotive manufacturer's need to improve overall fuel economy in vehicles has led to the trend toward minimizing vehicle weight. The use of light-weight materials such as aluminum is on the rise and heavier traditional materials such as steel and iron are being replaced whenever possible.

Business Strategy

Dura's primary business objective is to capitalize on the consolidation, globalization and system sourcing trends in the automotive supply and specialty vehicle industries in order to be the leading provider of the systems it supplies to OEMs worldwide. The key elements of Dura's operating and growth strategies are as follows:

Operating Strategy

Continuous Operational Improvements. Dura continuously implements strategic initiatives designed to improve product quality and reduce manufacturing costs through the introduction of cellular manufacturing methods, consolidation of manufacturing facilities, improvement in inventory management and the reduction of waste. Manufacturing flexibility enables Dura's facilities to produce systems in a cost-effective manner and strengthens Dura's ability to meet the just-in-time and in-line sequence delivery schedules of many of its customers. Dura utilizes a common set of key metrics used to measure actual performance in comparison to standards and goals.

Capitalize on Opportunities for Operating Synergies. Dura's acquisitions typically provide it with a number of opportunities to reduce costs and improve operational efficiency. For example, the similarity of the manufacturing processes and technical capabilities of Dura, and companies that Dura has acquired, has resulted in significant cost savings and operating synergies. Immediately following the execution of acquisition agreements, Dura establishes cross-functional teams, which identify synergies expected to be realized from consolidation of the design, engineering and administrative functions, plant restructuring and realignment and coordination of raw material purchases. The cross-functional teams formulate an overall integration plan.

Foster a Decentralized, Participatory Culture. Dura's decentralized approach to managing its manufacturing facilities encourages decision making and employee participation in areas such as manufacturing processes and customer service. This “team” approach fosters a unified culture and enhances communication of strategic direction and goals, while facilitating a greater success rate in reaching and exceeding its objectives. Dura provides ownership-related incentives to not only its managers, but also to its salaried and hourly employees, through grants under Dura's stock option plan and participation in the employee stock discount purchase plan.

Growth Strategy

Historically, Dura’s growth strategy has been substantially by way of acquisition. Dura has completed several strategic acquisitions since inception that have increased Dura’s product and customer base, as well as, increased its global presence. Presently, Dura is focused on organic growth. Dura is strategically reviewing its businesses, looking to invest in areas with the opportunity for greatest return. This will include smart investments in high technology products and processes. For those businesses that are more commodity-like, Dura intends to take a low cost producer strategy.

Focus on Systems. OEMs are increasingly seeking suppliers capable of providing complete systems rather than suppliers who only provide separate component parts. A key element of Dura's growth strategy has been to add to its ability to provide complete systems to its OEM customers.

Increase Platform and Customer Penetration. A key element of Dura's strategy is to increase volume by adding new customers and to strengthen its existing customer relationships by broadening its range of products through internal development efforts and fill-in acquisitions. Dura has also obtained firm orders on a number of new platforms for the years 2003 through 2005 for incremental new business in North America and Europe. Dura believes that its geographic diversity and product depth strengthen its ability to pursue new vehicle platform contracts in the future.

Extend Global Manufacturing Reach. In 2002, over 70 percent of total worldwide passenger vehicle production occurred outside North America. To meet OEMs' increasing preference for suppliers with global capabilities, Dura has expanded its manufacturing presence into new geographic markets through strategic acquisitions, alliances and opening new manufacturing facilities in Slovakia and the Czech Republic. In addition, this strategy has provided Dura the capability to design, develop and produce components and systems for the growing market of global platforms or world cars. Increased international sales will also allow Dura to mitigate the effects of cyclical downturns in a given geographic region and further diversify its OEM customer base.

Company History

Dura Automotive Systems, Inc. is a holding company whose predecessor was formed by Hidden Creek Industries ("HCI"), Onex DHC LLC (together with its affiliates, "Onex"), J2R Corporation ("J2R") and certain others for the purpose of acquiring the Dura Automotive Hardware and Mechanical Components divisions of Wickes Manufacturing Company ("Wickes") in November 1990. In August 1994, Dura entered into a transaction that combined the operations of Dura's operating subsidiary, Dura Operating Corp. ("Dura"), with the automotive parking brake and cable business and light duty cable business (the "Brake and Cable Business") of Alkin Co. ("Alkin").

Since the completion of the acquisition of the Brake and Cable Business, Dura has successfully completed the following strategic acquisitions, joint ventures and divestitures:

- In August 1996, Dura formed a joint venture with Excel Industries, Inc. ("Excel") to participate equally in the acquisition of a 25.5 percent interest in Pollone S.A. ("Pollone"), a manufacturer of automotive components and mechanical assemblies headquartered in São Paulo, Brazil, for $5 million in total. The joint venture also loaned Pollone an additional $10.5 million pursuant to notes which were convertible into equity of Pollone at the joint venture's option. In January 1998, the joint venture increased its interest in Pollone to 51.0 percent through the conversion of certain of these notes. As a result of Dura's March 1999 acquisition of Excel, Dura began consolidating Pollone's financial results. In January 2000, Dura acquired the remaining ownership interest in Pollone. This investment provided Dura with a manufacturing presence in South America.

- In October 1996, Dura acquired the parking brake business of Rockwell Light Vehicle Systems France S.A. for approximately $3.8 million. The parking brake business, which was operated from a facility in Cluses, France, added a manufacturing presence in Europe and PSA (Peugeot and Citroën) and Renault as customers.

- In December 1996, Dura acquired KPI Automotive Group ("KPI") from Sparton Corporation for approximately $78.8 million. KPI manufactures shifter systems, parking brake mechanisms, brake pedals and underbody tire carriers for the North American automotive industry from facilities in Indiana and Michigan. The acquisition added significant market penetration in console-based shifter systems, increased platform content and added a significant new product line in underbody tire carriers.

- In January 1997, Dura acquired the VOFA Group ("VOFA") for approximately $38.0 million in cash and assumed indebtedness, plus contingent payments. VOFA designs and manufactures shifter cables, brake cables and other light duty cables for the European automotive and industrial markets from facilities in Düsseldorf, Gehren and Daun, Germany and Barcelona, Spain. The acquisition added new customers such as Mercedes, Volkswagen and BMW, providing a strong European position. This established Dura's cable manufacturing capabilities globally.

- In May 1997, Dura acquired the automotive parking brake business from Excel for approximately $2.9 million. The acquisition increased Dura's penetration of the parking brake market and expanded Dura's relationship with DaimlerChrysler.

- In August 1997, Dura acquired GT Automotive Systems, Inc. ("GT Automotive") for approximately $45.0 million in cash and assumed indebtedness, plus contingent payments. GT Automotive designs and manufactures column-mounted shifter systems and turn signal and tilt lever assemblies for North American OEMs. At the time of the acquisition, GT Automotive had a substantial share of the North American column-based shifter market. The acquisition of GT Automotive, combined with Dura's existing position in console-based shifter systems, increased Dura's share of the North American shifter market to the leading position. In addition, the acquisition added Nissan as a customer.

- In December 1997, Dura purchased approximately 19 percent of the outstanding common stock of Thixotech Inc. ("Thixotech") for approximately $0.5 million. Dura subsequently invested a total of $8.5 million in Thixotech. In October 2001, after management identified the business as non-core to Dura's strategy for the future, Dura successfully completed the sale of Thixotech for total proceeds of approximately $4.1 million. Dura recorded a non-cash charge related to this transaction of approximately $5.2 million in the fourth quarter of 2001.

- In December 1997, Dura acquired REOM Industries (“REOM”) for approximately $3.7 million. REOM, located in Australia, generated approximately $10.0 million of revenue on an annualized basis and produced parking brakes, jacks, pedal assemblies, hinges and latches for the automotive industry. Their largest customers included Ford Motor Company, Holden Limited, and Delphi Automotive Systems. In August 2001, after management identified the business as non-core to Dura's strategy for the future, Dura divested this operation resulting in a charge of approximately $7.5 million in the third quarter of 2001. Approximately $2.0 million of this charge was cash related.

- In March 1998, Dura acquired Universal Tool and Stamping Co., Inc., a manufacturer of jacks for the North American automotive industry, for approximately $19.5 million. Universal had 1997 revenues of approximately $37.0 million. Universal's customers include General Motors, Ford and Honda. The acquisition provided Dura with a market presence for jacks in North America and added Honda as a significant new customer.

- In April 1998, Dura acquired all of the outstanding equity interests of Trident Automotive plc (“Trident”). Trident had revenues of approximately $300 million in 1997, of which 69 percent was derived from sales of cable assemblies, principally to the automotive OEM market, and the balance from door handle assemblies, lighting and other products. Approximately 68 percent of Trident's revenues were generated in North America, 27 percent in Europe and the remainder in Latin America. Trident had manufacturing and technical facilities in Michigan, Tennessee, Arkansas, Canada, the United Kingdom, Germany, France and Brazil. Pursuant to the terms of the agreement, Dura acquired all of the outstanding equity interests of Trident for total consideration of $93.2 million in cash. In addition, Dura assumed $75.0 million of Trident's outstanding 10 percent Senior Subordinated Notes due 2005. Dura also repaid Trident's outstanding senior indebtedness of approximately $53.0 million.

- In August 1998, Dura acquired the hinge business from Tower Automotive, Inc. (“Hinge Business”) for approximately $37.3 million. The Hinge Business had annual revenues of approximately $50.0 million and manufactures automotive hood and deck lid hinges.

- In March 1999, Dura acquired Excel for approximately $155.5 million in cash, 4.9 million shares of Dura Class A Common Stock and the assumption of $164.3 million in indebtedness. Excel designs and manufactures window, door and seating systems for the automotive, recreation vehicle, heavy truck and mass transit markets and appliances and hardware for the recreation vehicle market. Excel also manufactures decorative trim for the automotive market and complex injection molded parts for the consumer and industrial markets. Revenues for 1998 were approximately $1.1 billion. The acquisition of Excel provided Dura with new, value-added product lines and strengthened Dura's relationship with important customers such as Ford, DaimlerChrysler, Volkswagen and BMW.

- In March 1999, Dura acquired Adwest Automotive plc (“Adwest”), for $213.9 million in cash and the assumption of $106.1 million in indebtedness. Adwest designs and manufactures driver control mechanisms, engine control products and automotive cable primarily for the European automotive market and had annual revenues of $400 million. The acquisition of Adwest provided Dura with substantial driver control mechanism design and production capability in Europe and broadened Dura's dealings with customers such as Volkswagen, BMW, Ford, GM, Peugeot and Renault.

- In June 1999, Dura acquired Metallifacture Limited (“Metallifacture”) from Bullough plc. Metallifacture, located in Nottingham, England, is a manufacturer of jacks and tire carriers for the European automotive industry. It had revenues of approximately $25 million and its major customers include Ford, General Motors, Rover, Nissan and Volkswagen.

- In November 1999, Dura acquired the seat adjusting business of Meritor Automotive, Inc. (“Meritor Seats”) for total cash consideration of $130 million. Meritor Seats manufactures seat track adjusting mechanisms for the North American automotive industry. Meritor Seats, with operations in Bracebridge, Ontario and Gordonsville, Tennessee, had revenues of approximately $130 million and is a Tier II supplier to Lear Corporation and other automotive interior suppliers.

- In January 2000, Dura purchased the Jack Division of Ausco Products, Inc. ("Ausco") for total cash consideration of $9 million. Ausco, with operations in Benton Harbor, Michigan, produces automotive jacks primarily for North American OEMs and has revenues of approximately $13 million.

- In June 2000, Dura increased its ownership interest in a previously majority owned subsidiary by acquiring the remaining outstanding interests in Bowden TSK ("Bowden"). Bowden, located in the U.K., produces automotive cables for European OEMs.

- In November 2000, Dura acquired Reiche GmbH & Co.KG Automotive Components ("Reiche"), a manufacturer of steering columns for total consideration of $20 million. Reiche, located in Germany, manufactures steering columns and steering column components for European and North American OEMs.

- In January 2002, Dura divested its Plastic Products Business for total proceeds of approximately $41.0 million. The Plastic Products Business designs, engineers, and manufactures plastic components for a wide variety of automotive vehicle applications, focusing on the metal to plastic conversion and dual plastic applications markets. Dura recorded a non-cash charge of approximately $7.4 million in the fourth quarter of 2001 for the estimated loss upon divestment and in the second quarter of 2002, Dura recorded an additional $1.9 million charge related to the final negotiation of purchase price adjustments.

- During the fourth quarter of 2002, Dura adopted a plan to divest its Mechanical Assemblies Europe business, as it believes this business will not assist Dura in reaching its strategic growth and profitability targets for the future. The Mechanical Assemblies Europe business generated annualized revenues of approximately $111.9 million from facilities in Grenoble and Boynes, France; and Woodley, Nottingham and Stourport, UK. The planned Mechanical Assemblies Europe divestiture has been treated as a discontinued operation under SFAS No. 144 (See Note 3 to the consolidated financial statements). In conjunction with that decision, Dura recorded a loss from the Mechanical Assemblies Europe business of approximately $107.4 million in the fourth quarter of 2002, of which approximately $15.0 million is cash related. Including the previously disclosed and reported divestiture of the Steering Gear product line in the second quarter of 2002 and exit of the European pedal product line in the third quarter of 2002, the total loss from discontinued operations for the year ended December 31, 2002 was $126.6 million, on which no tax benefit was recorded. These losses relate primarily to asset write-downs of $53.3 million, contractual commitments and transaction related costs of $15.0 million, and year-to-date operating losses of $58.3 million. The operating losses include a pension settlement charge of $18.1 million and facility consolidation costs related to the Steering and Pedal product line disposals completed in second and third quarter of 2002 of $19.2 million and $2.4 million, respectively.

Products

Dura is the world's largest independent designer and manufacturer of driver control systems for the global automotive industry. Dura is also a leading global supplier of seating control systems, engineered assemblies, structural door modules and integrated glass systems.

Although a portion of Dura's products are sold directly to OEMs as finished components, Dura uses most of its products to produce "systems" or "subsystems," which are groups of component parts located throughout the vehicle which operate together to provide a specific vehicle function. Systems currently produced by Dura include glass, door, pedal, parking brake, transmission shift, seat adjusting and latch.

A brief summary of each of Dura's principal product categories is set forth below:

Product Category	Description
Driver Control Systems	Adjustable and traditional pedal systems, electronic throttle controls, electronic and traditional parking brake systems, cable systems, hybrid electronic and traditional gear shift systems, instrument panel beams, integrated driver control modules

Seating Control Systems	2, 4, 6 & 8-way power and manual seat adjusters, first, second and third row applications, complete seat structures, seat recliner assemblies, electronic seating control modules
Glass Systems	Reaction Injection Molding: Polyurethane ("RIM") and High Pressure Injection Molding ("HPIM") glass encapsulations, integrated liftgate modules, manual and power backlite assemblies, 1, 2 or 3-sided glass modules, drop-door glass, hidden hardware glass, integrated greenhouse systems
Engineered Assemblies	Spare tire carriers, jacks and tool kit assemblies, hood and tailgate latch systems, hinge assemblies
Structural Door Modules	Aluminum and steel body-in-white door modules, side impact beams, power and manual window lift systems, anti-pinch window lift systems
Exterior Trim Systems	Roof trim moldings, side frame trim, A, B, & C-pillar cappings, body color trim, bright trim
Mobile Products	Recreation vehicle appliances (water heaters, furnaces, ranges, ovens and drop-ins), jacks, couplers, brake actuators, fifth wheel landing legs, fifth wheel hitches, hitch balls, gas alarms, seating systems (frames adjusters, restraints and pedestals), windows and doors, mass transit and commercial bus windows

The following table sets forth the approximate composition of Dura's revenues from continuing operations by product category for the last three fiscal years:

	Year Ended December 31,		
Product Category	**2002**	**2001**	**2000**
Driver Control Systems	34%	34%	34%
Seating Control Systems	15%	16%	15%
Glass Systems	14%	14%	15%
Structural Door Modules	11%	8%	8%
Engineered Assemblies	8%	10%	10%
Exterior Trim Systems	7%	7%	7%
Mobile Products	7%	6%	6%
Other	4%	5%	5%
Total	100%	100%	100%

See Note 11 to the consolidated financial statements for more information regarding Dura's revenues by product category.

Customers and Marketing

The North American vehicle component supply industry is led by GM, Ford and DaimlerChrysler. New domestic manufacturers as a whole accounted for approximately 23 percent of the market in 2002. In North America, Dura supplies its products primarily to Ford, GM, DaimlerChrysler and Lear Corporation. Dura has also expanded its global presence through acquisitions and internal growth. Dura has added new customers and increased penetration into certain existing customers such as BMW, Volkswagen, Toyota, Nissan/Renault and PSA.

In 2002, over 70 percent of total worldwide light vehicle production occurred outside of North America. Dura derives a significant amount of its revenues from sales to OEMs located outside of North America. In Europe, Dura supplies its products primarily to Volkswagen, GM/Opel, Ford, BMW, PSA (Peugeot and Citroën), Nissan /Renault, and DaimlerChrysler. Set forth below is a summary of Dura's sales from continuing operations by geographic region for 2002, 2001 and 2000:

Region	Year Ended December 31, 2002	2001	2000
North America	67%	70%	73%
Europe	32%	29%	26%
Other	1%	1%	1%
Total	100%	100%	100%

See Note 11 to the consolidated financial statements for more information relating to revenues and long-lived assets for each geographic area referenced above.

The following is a summary of Dura's significant customers based on results of continuing operations for 2002, 2001 and 2000:

Customer	Year Ended December 31, 2002	2001	2000
Ford	26%	25%	26%
GM	14%	15%	14%
Lear	12%	13%	11%
DaimlerChrysler	10%	10%	10%
Volkswagen	8%	8%	7%
BMW	4%	3%	3%
Nissan/Renault	3%	3%	3%
PSA (Peugeot and Citroën)	2%	2%	2%
Johnson Controls, Inc.	2%	1%	2%
Toyota	1%	1%	1%
Honda	1%	1%	1%
Fleetwood	1%	1%	1%
Other	16%	17%	19%
Total	100%	100%	100%

Dura's automotive customers award contracts for a particular car platform, which may include more than one car model. Such contracts range from one year to the life of the models, which is generally three to seven years, and do not require the customer to purchase by the customer of any minimum number of parts. Dura also competes for new business to supply parts for successor models. Because Dura supplies parts for a broad cross-section of both new and mature models, its reliance on any particular model is minimized. Dura manufactures products for many of the most popular car, light truck, sport utility and mini-van models in North America and Europe.

Major customers for Dura's specialty vehicle products include Fleetwood Enterprises, Winnebago Industries, Thor Industries, Damon Corporation, Jayco, Coachmen Industries, Monaco Coach Corporation, Motor Coach Industries and Navistar International Corporation. Sales and engineering groups are located in Rockford, Illinois and Elkhart, Indiana to service these customers. Customers in the specialty vehicle products market generally negotiate annual pricing contracts without firm order commitments and long purchase order lead times. Therefore, the specialty vehicle group does not have a significant backlog of orders at any particular time.

Dura's sales and marketing efforts are designed to create overall awareness of its engineering, design and manufacturing capabilities and to have Dura considered and selected to supply its products for new and redesigned models of its OEM customers. Dura's sales and marketing staff works closely with Dura's design and engineering personnel to prepare the materials used for bidding on new business as well as to provide a consistent interface between Dura and its key customers. Most of Dura's sales and marketing personnel have engineering backgrounds which enable them to understand and participate in the design and engineering aspects of acquiring new business as well as ongoing customer service. Dura currently has sales and marketing personnel located in every major region in which it operates. From time to time, Dura also participates in industry trade shows and advertises in industry publications.

Design and Engineering Support

Dura believes that engineering service and support are key factors in successfully obtaining new business. Dura utilizes program management with customer-dedicated program teams, which have full design, development, test and commercial issues under the operational control of a single manager. In addition, Dura has established cross-functional teams for each new program to ensure efficient product development from program conception through product launch.

Dura has a co-located design and development philosophy, which allows individual plant locations to optimize product designs to coincide with Dura manufacturing processes. In support of this philosophy, Dura has sites that contain technical design & development capabilities in each of the major regions that support customers around the world. A separate advanced technology group has been established to maintain Dura's position as a technology leader. The advanced technology group has developed many innovative features in Dura's products, including many features that were developed in conjunction with Dura's customers. Dura utilizes computer aided designs (“CAD”) in the design process, which enables Dura to share data files with its customers via compatible systems during the design stage, thereby improving function, fit and performance within the total vehicle. Dura also utilizes CAD links with its manufacturing engineers to enhance manufacturability and quality of the designs early in the development process.

Dura has approximately 500 patents granted or in the application process. The patents granted expire over several years beginning in 2003. Although Dura believes that, taken together, the patents are significant, the loss or expiration of any particular patent would not be material to Dura.

Manufacturing

Dura employs a number of different manufacturing processes. Dura primarily utilizes flexible manufacturing cells in both the mechanism and cable assembly processes. Manufacturing cells are clusters of individual manufacturing operations and work stations grouped in a circular configuration, with the operators placed centrally within the configuration. This provides flexibility by allowing efficient changes to the number of operations each operator performs. When compared to the more traditional, less flexible assembly line process, cell manufacturing allows Dura to maintain its product output consistent with its customers' requirements and reduce the level of inventory.

Assemblies such as seat systems, jacks, parking brake levers, gear shifters and latches consist of between five and 50 individual components, which are attached to form an integrated mechanism. Although these assembly operations are generally performed in manufacturing cells, high-volume, automated assembly machines are employed where appropriate. The assembly operations construct the final product through hot or cold forging machines, staking and riveting the component parts. A large portion of the component parts are purchased from Dura's outside suppliers. However, Dura manufactures its own stampings, a process that consists of passing sheet metal through dies in a stamping press to form the metal into three-dimensional parts. Dura produces stamped parts using single-stage and progressive dies in presses, which range in size from 150 to 600 tons. Through continuous improvement teams, which stress employee involvement, manufacturing processes are regularly upgraded to increase flexibility, improve operating safety and minimize changeover times of the dies and fixtures.

Dura's door systems and body components use similar processes coupled with roll forming and stretch bending. Roll forming is a continuous process in which coiled steel is passed through a series of rollers which progressively form the metal into a consistently shaped section. When viewed from one end, the profile may be u-shaped for glass channels and roof rails. More complex shapes are processed for upper door profiles. Stretch bending involves clamping a length of the rolled profile at numerous points and then twisting or bending the metal to form contoured surfaces, such as door frames. Door and body components also require welding, grinding and polishing operations to provide a smooth finish.

Cables are manufactured using a variety of processes, including plastic injection molding, extrusion, wire flattening, spring making and zinc diecasting. Wire is purchased from outside suppliers and then woven into contra-twisted layers on tubular standers and bunching machines to produce up to 19-wire stranded cable. Corrosion resistance is provided by a proprietary, ceramic coating applied during the stranding process. The cable then is plastic-coated by an extrusion process to provide a smooth, low coefficient surface that results in high efficiency and durability. Conduit is then produced by flattening and coiling wire, which is then extruded with a protective coating. Proprietary strand and conduit cutting machines enable efficient processing. Assembly operations are arranged in cells to minimize inventory, improve quality, reduce scrap, improve productivity and enhance employee involvement. The cables are assembled with various attachments and end fittings that allow the customer to install the cables to the appropriate mating mechanisms.

Dura's window systems broadly include two categories of products: mechanically framed glass and molded framed glass. Mechanically framed glass products are produced by putting glass panes through a series of processes, which include adding handles, hinges, aluminum and steel based edge frame assemblies, electrical connectors and fasteners. The production of molded framed glass products involves two primary molding media: RIM and HPIM. Both media provide a “surround” to the glass panes that incorporates the styling, sealing and mechanical attachment features of the product. Dura's ability to utilize either media provides OEMs with the maximum advantage in terms of cost, styling imperatives and robustness. The glass panes used in the production of Dura's window systems are purchased from outside suppliers.

Dura utilizes frequent communication meetings at all levels of manufacturing to provide training and instruction as well as to assure a cohesive, focused effort toward common goals. Dura encourages employee involvement in all aspects of its' business and views such involvement as a key element in its success. Dura also aggressively pursues involvement from its suppliers, which is necessary to assure a consistent high quality and on time delivery of raw materials and components. Where practical, Dura utilizes component suppliers in the design and prototype stages of the new product development to facilitate the most comprehensive, state-of-the-art designs available. Dura has made substantial investments in manufacturing technology and product design capability to support its products. This includes modern manufacturing equipment, fineblanking, sophisticated CAD systems and highly-trained engineering personnel. These advanced capabilities enable Dura to deliver superior product quality at globally competitive prices.

The automotive industry has adopted a rigorous quality management system known as QS-9000. Suppliers must be registered as QS-9000 compliant by independent auditors as a condition of doing business with automotive customers. Dura has received QS-9000 registration at all of its facilities and maintains this status by demonstrating continuous improvement in manufacturing capability and support processes. In addition, Dura has received ISO 9000 registration for all facilities that serve the specialty vehicle markets. Dura has begun the process to transition to TS 16949. TS 16949 is more rigorous than QS-9000 and is more widely accepted throughout the automotive industry.

Dura's plants have been recognized by its customers with various awards, such as the DaimlerChrysler Gold Pentastar Award, GM Target for Excellence, Nummi Delivery Performance Award, Lear Hall of Fame Award, Nissan Quality Master Award and Isuzu Quality Achievement Award. Dura has also received an “A” rating at Peugeot and Renault. Dura has received Ford Q-1 certification at facilities shipping current model Ford product. Moreover, Dura’s specialty vehicle group has been the recipient of Fleetwood Industries Circle of Excellence: Quality Supplier Award for many years as well as WDA Supplier of the Year.

Dura is implementing an environmental management system at its manufacturing locations. The system meets the ISO 14001 standard and is certified by independent auditors. The system assists Dura in being a clean corporate citizen and provides a framework for managing environmental inputs. Approximately 90 percent of Dura’s manufacturing locations have achieved independent certification to ISO-14001.

Competition

Dura operates in a highly competitive environment. Dura principally competes for new business at the beginning of the development of new models and upon the redesign of existing models. New model development generally begins two to five years before marketing of such models to the public. Once a producer has been designated to supply parts for a new program, an OEM usually will continue to purchase those parts from the designated producer for the life of the program, although not necessarily for a redesign. Competitive factors in the market for Dura's products include product quality and reliability, cost, timely delivery, technical expertise and development capability, new product innovation and customer service. The number of Dura's competitors has decreased due to the supplier consolidation resulting from changing OEM policies. Some of our competitors have substantial size, scale and financial resources.

In addition, there is substantial and continuing pressure at the OEMs to reduce costs, including the cost of products purchased from outside suppliers such as Dura. Historically, Dura has been able to generate sufficient production cost savings to offset these price reductions.

Dura is the world's largest independent designer and manufacturer of driver control systems for the global automotive industry. Dura is also a leading global supplier of seating control systems, glass systems, engineered assemblies, structural door modules and exterior trim systems. Set forth below is a brief summary of Dura's most significant competitors in several major product categories:

(1) Driver Control Systems:

Automotive Cables. Dura is the leading producer of automotive cables in both North American and Europe. Major competitors include Teleflex Incorporated (“Teleflex”) and Hi-Lex Corporation (“Hi-Lex”) in North America and Kuester & Co. GmbH (“Kuester”), Ficosa International, S.A. (“Ficosa”) and Sila Holding Industriale (“Sila”) in Europe.

Parking Brakes. Dura is the leading producer of traditional and electronic parking brakes in North America. Traditional parking brake competitors include Ventra Group, Inc. (“Ventra”), Magna International Inc. (“Magna”), Ficosa and Aisin Seiki. Dura's competitors in Europe include Scharwaechter GmbH & Co. (“Edscha”) and Ficosa. Competitors in the electronic parking brake market include Kuester, Ficosa, TRW and Bosch.

Transmission Shifters. Dura is a leading producer of transmission shifters in North America, with its only significant competitor being Grand Haven Stamped Products. Dura has three competitors in Europe, Teleflex, Ficosa, and Sila.

Pedal Systems. Dura's primary competitors in pedal systems are Teleflex, KSR and Williams in North America.

(2) Seating Control Systems: Dura's primary competitors in seat adjusters are the in-house operations of Lear Corporation, Magna, Johnson Controls, Inc., and Faurecia. Independent competition exists in Europe, which includes Brose Fahrzeagteile Glaswerke GmbH & Co. (“Brose”), C. Rob Hammerstein GmbH & Co. KG and Keiper Recaro GmbH & Co.

(3) Glass Systems: Dura's primary competitors in window systems are Magna, Libbey-Owens Ford Co., PPG Inc. and Guardian Industries, Inc. in North America and Sekurit and Pilkington in Europe.

(4) Engineered Assemblies:

Hood Latches. Dura is the number one producer of hood latches in North America with only one other major competitor, Magna.

Jacks. There are only two major jack suppliers in North America, Dura and Ventra. Dura and Ventra are the two largest competitors in Europe with Batz, Bilstein and Storz sharing the remaining market.

Tire Carriers. Leading the North American market for tire carriers, Dura's primary competitors include Edscha, Deuer, and Fabco (Krupp). Dura enjoys the largest share of the market in Europe which has three other players Jackson, Deuer and Fabco (Krupp).

(5) Structural Door Modules: In this product group, Dura competes in door modules and window lift systems as well as other product areas. The primary competitors for door modules in North America and Europe include

Brose, Delphi, ArvinMeritor, Magna, Matra and Wagon and for window lift systems in North America, Dura competes with ArvinMeritor, Brose, Hi-Lex and Magna.

(6) Exterior Trim Systems: Dura's primary competitors in Europe for roof trim moldings, side frame trim, A, B, & C-pillar cappings, body color trim include WKW and Aries.

(7) Mobile Products: Dura's primary competitors for mobile products include Suburban Manufacturing (division of Airxcel), Maytag Appliances/Magic Chef RV Products, TriMas Corporation and Hehr International, Inc.

Suppliers and Raw Materials

Dura's principal raw materials include (1) coil steel and resin in mechanism production, (2) metal wire and resin in cable production and (3) glass in window systems. Dura does not manufacture or sell primary glass. The types of steel Dura purchases include hot and cold rolled, galvanized, organically coated and aluminized steel. In general, the wire used by Dura is produced from steel with many of the same characteristics with the exception that it has a higher carbon content. Dura utilizes plastic resin to produce the protective coating for cables and transmission shifter components. Dura employs just-in-time manufacturing and sourcing systems enabling it to meet customer requirements for faster deliveries while minimizing its need to carry significant inventory levels. Dura has not experienced any significant shortages of raw materials and normally does not carry inventories of raw materials or finished products in excess of those reasonably required to meet production and shipping schedules.

Dura typically negotiates blanket purchase orders or 12-month supply agreements with service centers that have demonstrated timely delivery, quality steel and competitive prices. These arrangements do not contain minimum purchase requirements. These relationships allow Dura to order precise quantities and types of steel for delivery on short notice, thereby permitting Dura to maintain low inventories. In addition, Dura occasionally “spot buys” steel from service centers to meet customer demand, engineering changes or new part tool trials.

Other raw materials purchased by Dura include dies, motors, fasteners, springs, rivets and rubber products, all of which are available from numerous sources.

Seasonality

A significant portion of Dura's business is directly related to automotive and recreation vehicle sales and production by its customers, which is highly cyclical and depends on general economic conditions, consumer spending and preferences. Any significant reduction in vehicle production and sales by Dura's customers would have a material adverse effect on its business. The North American automotive and recreation vehicle market, Dura's largest market, experienced a downturn that began in 2000 and continued into 2001. As such, Dura's sales declined in line with the reduced volumes. To offset the reduction in production volumes, Dura accelerated its structural cost reduction efforts. North American sales recovered in 2002 with the help of incentive programs offered by the OEMs. This had a positive effect on Dura’s sales for 2002.

Dura has operations in several major regions of the world and economic conditions in these regions often differ, which may have varying effects on its business. The recent strengthening of the Euro relative to the U.S. dollar resulted in a positive impact to Dura's results of operations during 2002.

Dura's business is moderately seasonal as its primary North American customers historically halt operations for approximately two weeks in July for vacations and model changeovers and its European customers generally reduce production during the month of August. In addition, third quarter automotive production is traditionally lower as new models enter production. Accordingly, third quarter results may reflect this cyclicality.

Employees

As of December 31, 2002, Dura employed approximately 9,100 people in North America, 9,200 in Europe and 500 in other regions of the world. A substantial number of Dura's employees are members of unions. Dura has collective bargaining agreements with several unions including: the UAW; the CAW; the International Brotherhood of Teamsters; and the International Association of Machinists and Aerospace Workers. Virtually all of Dura's unionized facilities in the United States and Canada have a separate contract with the union which represents the workers employed there, with each such contract having an expiration date independent of its other labor contracts. The majority of Dura's European and Mexican employees are members of industrial trade union organizations and confederations within their respective countries. Many of these organizations and confederations operate under national contracts, which are not specific to any one employer. Although Dura believes that its relationship with its union employees is generally good, there can be no assurance that Dura will be able to negotiate new agreements on favorable terms. In the event Dura is unsuccessful in negotiating new agreements, these facilities could be subject to work stoppages, which could have a material adverse effect on the operations of Dura.

(b) Safe Harbor Provisions and Selected Vehicle Programs

Forward-looking statements included in this Form 10-K are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by use of the words such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “estimate” and similar words, although some forward-looking statements may be expressed differently. There are certain important factors that could cause future results to differ materially from those that might be anticipated based on some of the statements made in this report. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Actual results may differ materially from those in forward-looking statements as a result of various factors including, but not limited to:

- ***Reliance on Major Customers and Selected Vehicle Programs.*** Dura's largest customers, Ford, GM, Lear and DaimlerChrysler, represented approximately 26 percent, 14 percent, 12 percent and 10 percent, respectively, of Dura's 2002 revenues. Any significant reduction in the demand for vehicles manufactured by Ford, GM or DaimlerChrysler or products manufactured by Lear for which we produce components and assemblies or for certain other key vehicle models or group of related vehicle model sold by any of Dura’s other major customers could have a material adverse effect on Dura’s existing and future revenues and net income.

- ***Industry Cyclicality and Seasonality.*** The automotive and recreation vehicle end customer markets are highly cyclical and both markets are dependent on consumer spending. Economic factors adversely affecting automotive and recreation vehicle production and consumer spending could adversely impact Dura. We typically experience decreased volumes during the third quarter of each year due to the impact of scheduled OEM plant shutdowns in July and August for vacations and new model changeovers.

- ***Failure to Obtain Business Related to New and Redesigned Model Introductions.*** The failure of Dura to obtain new business on new models or to retain or increase business on redesigned existing models could adversely affect Dura.

- ***Highly Competitive Vehicle Supply Industry.*** The vehicle component supply industry is highly competitive. There is substantial and continuing pressure from the OEMs to reduce costs, including the cost of products purchased from outside suppliers such as Dura. If we are unable to generate sufficient cost savings in the future to offset price reductions, our gross margin could be adversely affected.

- ***Product Liability Exposure.*** Dura faces an inherent business risk of exposure to product liability claims from its customers and consumers in the event that its products fail to perform to specifications or result in personal injury or death, and there can be no assurance that Dura will not experience material product liability losses in the future or that we will not incur significant costs to defend these claims. In addition, if any Dura-designed products are or are alleged to be defective, we may be required to participate in a product recall involving those products. Each OEM has its own policy regarding product recalls and other product liability actions relating to its suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more system integration functions, OEMs are increasingly looking to their suppliers for contribution when faced with product recalls, product liability or warranty claims. Dura cannot assure you that the future costs associated with providing product warranties will not be material.

- ***Work Stoppages and Other Labor Matters.*** A significant number of our employees are unionized. Dura cannot assure you that we will not encounter strikes, further unionization efforts or other types of conflicts with labor unions or our employees. Any of these factors may have an adverse effect on us or may limit our flexibility in dealing with our workforce. In addition, many OEMs and their suppliers have unionized workforces. Work stoppages or slow-downs experienced by OEMs or their suppliers could result in slow-downs or closures of assembly plants where our products are included in assembled vehicles. In the event that one or more of our customers experience a material work stoppage, such work stoppage could have a material adverse effect on our business.

- ***Substantial Leverage.*** We have a significant amount of indebtedness. Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Certain of these factors are beyond our control. In addition, since a portion of our indebtedness is at variable rates of interest, we will be vulnerable to increases in interest rates, which could have a material adverse effect on our results of operations, liquidity and financial condition.

- ***Significant Foreign Operations.*** Dura has significant operations in Europe, Canada and Latin America. Certain risks are inherent in international operations, including:

  - The difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
  - Foreign customers may have longer payment cycles than customers in the United States;
  - Tax rates in certain foreign countries may exceed those in the United States and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;
  - General economic and political conditions in countries where we operate may have an adverse effect on our operations in those countries;
  - The difficulties associated with managing a large organization spread throughout various countries; and
  - Required compliance with a variety of foreign laws and regulations.

  In addition, Dura generates a significant portion of its revenues and incurs a significant portion of its expenses in currencies other than U.S. dollars. To the extent that it is unable to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations in any such currency could have an adverse effect on Dura’ s financial results. The strengthening of the European currencies in relation to the U.S. dollar had a positive impact on Dura’s revenues in 2002.

(c) Available Information

Dura maintains a website on the Internet at www.duraauto.com. Dura makes available free of charge through its website, by way of a hyperlink to a third-party SEC filing website, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. Such information is available as soon as such reports are filed with the SEC.

Item 2. *Properties*

Dura's world headquarters is located in Rochester Hills, Michigan. Dura leases this facility, which is approximately 100,000 square feet, a portion of which is used for product development activities.

Dura believes that the productive capacity and utilization of its facilities is sufficient to allow Dura to conduct its operations in accordance with its business strategy. All of Dura's owned facilities are subject to liens under its amended and restated $1.15 billion credit agreement ("Credit Agreement"). The following table shows the principal facilities of Dura as of December 31, 2002:

Country	Number of Sites
Brazil	1
Canada	3
Czech Republic	3
France	5
Germany	9
Mexico	2
Portugal	2
Slovakia	1
Spain	3
United Kingdom	2
United States	26
Total	57

Dura's manufacturing facilities have a combined square footage in excess of 7,050,000, approximately 85 percent of which is owned and approximately 15 percent is leased. To increase efficiency, Dura expects to consolidate the operations of certain of its manufacturing facilities and technical centers over the next twelve months.

In some cases, several of Dura's manufacturing sites, technical centers and/or product development centers and sales activity offices are located at a single multi-purpose site. As of December 31, 2002, Dura had sites that contain technical design and development capabilities in each of the major regions that support customers around the world.

Management believes that substantially all of its property and equipment is in good condition and that it has sufficient capacity to meet its current manufacturing needs. Utilization of Dura's facilities varies with North American and European light and recreation vehicle production and general economic conditions in such regions.

Item 3. *Legal Proceedings*

Dura is involved in routine litigation incidental to the conduct of its business. Dura does not believe that any litigation to which it is currently a party will have a material adverse effect on its business or financial condition.

In late 1994, Ford issued a recall of a series of manual transmission Ford F-Series pickups to repair the self-adjust parking brakes originally manufactured by the Brake and Cable Business. The type of alleged failures that prompted the F-Series recalls have led to a number of claims and lawsuits filed against Ford, one of which culminated in a July 1998 award of punitive damages against Ford of more than $151 million (which has subsequently been reduced on appeal to $69 million) and Ford appealed the decision. In December 2002, the Ninth Circuit Court of Appeals issued an opinion remanding the case for a new trial on punitive damages because the trial court failed to limit the punitive damages award to a reasonable amount. Dura may be subject to claims brought directly against Dura by injured occupants of Ford vehicles and to claims for contribution or indemnification asserted by Ford. The agreement relating to the acquisition of the Brake and Cable Business provided that Dura is liable for claims arising out of accidents that take place on or after August 31, 1994 and that Dura will be liable for other claims only to the extent any losses by Alkin relating to such claims are not paid by Alkin's insurance policies (either because they are not over the deductible amount, because Alkin's policy limits have been exceeded or because they are not covered by Alkin's insurance policies for other reasons). Dura is not presently aware of any other open self-adjusting parking brake claims against Ford with respect to which Ford may elect to seek contribution from Dura. Dura has attempted to work with Ford to address the claims arising from the self-adjusting parking brakes and does not believe that these claims have adversely affected its business relationship with Ford.

In early November 1996, Dura was served with a lawsuit brought by affiliates of AIG, its excess insurance carrier, in Toronto, Canada seeking a declaratory judgment that the umbrella and excess liability policies that it had issued to Onex do not provide coverage in connection with allegedly defective self-adjust parking brakes manufactured by Alkin prior to August 31, 1994. The AIG policies at issue provided (a) the first layer of excess coverage (beyond Dura's $3 million primary policy per year) for claims arising from August 31, 1994 to April 1, 1996 in the amount of $20 million coverage per year, and (b) an additional layer of excess coverage at $33 to $53 million per year. In principal part, the AIG affiliates claim that the policies do not provide coverage with respect to products manufactured prior to August 31, 1994 or liabilities assumed by Dura pursuant to purchase agreements. The AIG affiliates also claim that the policies should be voided with respect to self-adjust parking brake claims for inadequate disclosure at the time the policies were applied for. Dura and Onex dispute the allegations of the Ontario lawsuit and have filed a counterclaim against the AIG affiliates for breach of contract.

In March 1999, Dura was notified by Ford of its decision to institute a recall of certain of its vehicles, including Mustangs (approximately 987,839), relating to the speed control cable. In October 1999, Ford announced that it was voluntarily recalling all 1998-1999 Ford Explorers and Mountaineers (approximately 932,000 vehicles) to replace the auxiliary hood latches. Although Dura denies full liability related to the speed control and secondary hood latch recalls, in June 2000, it settled the two product recall matters through a cost sharing agreement with Ford. Dura agreed to pay $40 million ($20 million in July 2000, followed by three equal payments totaling $20 million in July 2001, July 2002 and July 2003) to resolve Ford's claims relating to these recalls.

In September 2001, Dura was notified by Landrover of its decision to institute a recall of its Freelander vehicles due to alleged malfunctions of the parking brake mechanism. This recall included approximately 220,000 vehicles manufactured world-wide between September 1997 and March 2001. In September 2002, Dura and Landrover reached a settlement and Dura agreed to pay Pounds 2.8 million (approximately $4.5 million). In return, Dura received a release from further liability as a result of this recall.

In December 2002, Nissan/Renault issued a claim to Dura requesting payment for a recall of its Almera and Tino vehicles due to alleged malfunctions of the parking brake mechanism. This recall included approximately 125,000 vehicles manufactured world-wide. Dura is currently working with the customer to resolve this matter.

Dura faces an inherent business risk of exposure to product liability and warranty claims in the event that its products fail to perform as expected and such failure of the products results, or is alleged to result, in bodily injury and/or property damage. Dura cannot assure that it will not experience any material warranty or product liability losses in the future or that it will not incur significant costs to defend such claims. In addition, if any of the products are or are alleged to be defective, Dura may be required to participate in a recall involving such products. Each OEM has its own policy regarding product recalls and other product liability actions relating to its suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, OEMs are increasingly looking to their suppliers for contribution when faced with product liability claims. A successful claim brought against Dura or a requirement to participate in a product recall may have a material adverse effect on Dura’s business. OEMs are also increasingly requiring their outside suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which Dura supplies products to an OEM, an OEM may hold Dura responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties, when the product supplied did not perform as represented. Dura carries insurance for certain legal matters including product liability; however, Dura no longer carries insurance for warranty matters, as the cost and availability for such insurance, in the opinion of management, is cost prohibitive or not available. Dura has established reserves for matters that are probable and estimable in amounts management believes are adequate to cover reasonable adverse judgments not covered by insurance. Based upon the information available to management and discussions with legal counsel, it is the opinion of management that the ultimate outcome of the various legal actions and claims that are incidental to Dura’s business will not have a material adverse impact on the consolidated financial position, results of operations, or cash flows of Dura; however, such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

Environmental Matters

Dura is subject to the requirements of federal, state, local and foreign environmental and occupational health and safety laws and regulations. While Dura devotes resources designed to maintaining compliance with these requirements, there can be no assurance that Dura operates at all times in complete compliance with all such requirements. Dura could be subject to potentially significant fines and penalties for any noncompliance that may occur. Although Dura has made and will continue to make capital and other expenditures to comply with environmental requirements, Dura does not expect to incur material capital expenditures for environmental controls in 2003.

Some of Dura's operations generate hazardous substances. Like all manufacturers, if a release of hazardous substances occurs or has occurred at or from any of Dura's current or former properties or at a landfill or another location where Dura has disposed of wastes, Dura may be held liable for the contamination, and the amount of such liability could be material.

In 1995, the Michigan Department of Environmental Quality requested that Dura and Wickes conduct an environmental investigation at and around Dura's Mancelona, Michigan facility, which Dura acquired from Wickes in 1990. The investigation detected trichloroethylene (“TCE”) in groundwater at the facility and offsite locations. Dura has not used TCE since it acquired the Mancelona facility, although TCE may have been used by prior operators. Dura has arranged and paid for the sampling of several residential drinking water wells in the area and for the replacement of drinking water wells found to contain TCE above drinking water standards. Dura may incur additional costs to further investigate, monitor or remediate the contamination, and possibly to provide additional alternative drinking water supplies. In April 1999, Dura settled certain potential claims asserted by a ski resort with respect to possible future impact on the resort's water supply wells.

The Mancelona groundwater contamination matter is subject to an indemnity from Wickes. In connection with Dura's acquisition of certain assets from Wickes in 1990, Wickes agreed to indemnify Dura with respect to certain environmental liabilities associated with Wickes' operation of the subject facilities subject to a $750,000 basket (which has been reached), up to a $2.5 million cap. Dura will be obligated to indemnify Wickes with respect to any liabilities above such cap. Wickes has acknowledged that Dura made a timely and adequate claim for indemnification with respect to the Mancelona matter, and has been paying indemnification claims relating to the Mancelona matter, subject to a reservation of rights.

In 1998, Dura acquired Universal. The seller in the Universal transaction agreed to indemnify Dura for environmental liabilities arising from the operation of the acquired facilities prior to the acquisition. Following the acquisition, pursuant to the indemnity, the seller continued to address certain environmental matters, including the cleanup of TCE-contaminated soil at Dura's Butler, Indiana facility. In 1998, the seller filed for reorganization under the federal bankruptcy laws and ceased performing its obligations under the indemnity. In March 1999, the seller requested bankruptcy court approval to reject their contractual indemnity obligations to Dura. Subject to Dura's right to seek repayment in the bankruptcy proceeding, it is likely that Dura will be responsible for completing the cleanup at its Butler facility. Although Dura cannot provide complete assurance, based on estimates provided by the environmental consultant that has been performing the cleanup, Dura does not expect the cost to complete the cleanup to be material.

In 1998, Dura entered into a partial consent decree to settle its liability for past costs at the former Excel Main Street Well Field Site in Elkhart, Indiana, where TCE was found in a municipal well field near the Elkhart facility. Dura is one of several potentially responsible parties involved at the site. Under the settlement, Dura has a continuing payment obligation for operation and maintenance of a groundwater treatment system and for a soil vapor extraction system. These obligations will likely continue for several years. The annual cost to operate these systems is not material. In addition, Dura expects to receive certain payments from other parties involved at the site.

Dura is involved as a potentially responsible party at several waste disposal sites. Although the environmental laws provide for joint and several liability at such sites, liability is typically allocated among the viable parties involved. Dura believes that it has no liability at some of these sites, and that adequate reserves are in place for current estimates of Dura's share of liability at the other sites. Dura cannot provide complete assurance, however, that its liability at these sites will not materially exceed the current amount of Dura's reserves.

Item 4. ***Submission of Matters to a Vote of Security Holders***

There were no matters submitted to a vote of stockholders during the fourth quarter of 2002.

PART II

Item 5. ***Market for Registrant's Common Equity and Related Stockholder Matters***

The Class A Common Stock is traded on the Nasdaq National Market under the symbol “DRRA.” The following table sets forth, for the periods indicated, the low and high closing sale prices for the Class A common stock as regularly quoted on Nasdaq.

	Low	High
2002		
First Quarter	$ 10.19	$ 19.78
Second Quarter	19.13	25.68
Third Quarter	11.95	20.00
Fourth Quarter	8.08	13.25
2001		
First Quarter	$ 5.44	$ 9.69
Second Quarter	7.25	16.00
Third Quarter	6.83	19.05
Fourth Quarter	7.25	11.00

As of March 3, 2003, there were approximately 719 holders of record of the outstanding Class A common stock and 11 holders of record of the outstanding Class B common stock.

Dura has not declared or paid any dividends on its Common Stock in the past and does not anticipate paying dividends in the foreseeable future. Any future payment of dividends is within the discretion of the Board of Directors and will depend upon, among other factors, the capital requirements, operating results and financial condition of Dura. In addition, Dura's ability to pay dividends is limited under the terms of the $350.0 million 8-5/8 percent senior unsecured notes (“Senior Notes”) indenture and $458.5 million and Euro 100.0 million 9 percent senior subordinated notes (“Subordinated Notes”) indenture and by the terms of its Credit Agreement. See “Management's Discussion and Analysis of Results of Operations and Financial Condition-Liquidity and Capital Resources.”

Item 6. ***Selected Financial Data***

The selected consolidated financial data for Dura presented below for, and as of the end of each of the years in the five-year period ended December 31, 2002, is derived from Dura Automotive Systems, Inc.'s Consolidated Financial Statements. The three year period ended December 31, 2002 has been audited by Deloitte & Touche LLP, independent public accountants. The consolidated financial statements at December 31, 2002 and 2001 and for each of the three years in the period ended December 31, 2002 and the independent auditor's report thereon are included elsewhere in this report. The consolidated financial statements at December 31, 2000, 1999 and 1998 and for the years ended December 31, 1999 and 1998 are not included herein. This selected consolidated financial data should be read in conjunction with “Management's Discussion and Analysis of Results of Operations and Financial Condition” and Dura's Consolidated Financial Statements and Notes to Consolidated Financial Statements, included elsewhere in this report.

	Years Ended December 31,				
	2002	2001	2000	1999 Unaudited	1998 Unaudited
	(Dollars in thousands, except per share data)				
Income Statement Data:					
Revenues	$2,360,323	$ 2,333,705	$ 2,465,416	$ 2,067,695	$ 739,467
Cost of sales	2,035,021	2,013,585	2,084,428	1,748,706	608,518
S, G & A expense	135,571	134,380	153,931	119,378	49,825
Facility consolidation, product recall and other charges	16,121	24,119	14,948	16,246	-
Amortization expense	989	26,725	27,091	23,239	9,868
Operating income	172,621	134,896	185,018	160,126	71,256
Interest expense, net	83,908	100,514	111,929	81,046	20,267
Provision for income taxes	39,703	10,589	29,904	35,675	20,933
Income from continuing operations	46,524	21,224	40,740	40,960	26,667
Income (loss) from discontinued operations, net of income taxes	(126,581)	(10,005)	1,037	8,809	-
Extraordinary item - loss on early extinguishment of debt, net	(3,422)	-	-	(5,402)	(643)
Cumulative effect of change in accounting, net	(205,192)	-	-	(3,147)	-
Net income (loss)	(288,671)	11,219	41,777	41,220	26,024
Basic earnings (loss) per share from continuing operations	$ 2.58	$ 1.19	$ 2.33	$ 2.52	$ 2.49
Diluted earnings (loss) per share from continuing operations	$ 2.48	$ 1.18	$ 2.29	$ 2.44	$ 2.42

	At December 31,				
	2002	2001	2000	1999 Unaudited	1998 Unaudited
	(Dollars in thousands, except per share data)				
Balance Sheet Data:					
Working capital	$ 212,063	$ 80,642	$ 169,005	$ 162,949	$ 63,766
Total assets	1,936,933	2,121,604	2,357,047	2,444,867	929,383
Long-term debt	1,069,054	1,012,127	1,156,826	1,175,898	316,417
Mandatority Redeemable Convertible Trust Preferred Securities	55,250	55,250	55,250	55,250	55,250
Stockholders' investment	204,802	442,397	453,394	430,996	238,037

Item 7. *Management's Discussion and Analysis of Results of Operations and Financial Condition*

This discussion should be read in conjunction with Dura's Consolidated Financial Statements and the Notes to Consolidated Financial Statements included elsewhere in this report.

During the fourth quarter of 2002, Dura adopted a plan to divest its Mechanical Assemblies Europe business, as it believes this business will not assist Dura in reaching its strategic growth and profitability targets for the future. The planned Mechanical Assemblies Europe divestiture has been treated as a discontinued operation under SFAS No. 144 (see Note 3 to the consolidated financial statements). The applicable assets, liabilities and results of operations related to the Mechanical Assemblies Europe business, including the related charges, have been classified as discontinued operations in the consolidated financial statements, and prior periods have been recast to present Mechanical Assemblies Europe as a discontinued operation in all periods presented.

Overview

The economic climate throughout 2002 remained challenging as the benefits from higher production volumes in the North American automotive and recreation vehicle industries were partially offset by weakness in Europe. The OEMs continued to offer various incentive plans including zero percent financing throughout the year. We anticipate that 2003 will continue to be a challenging environment and we believe that our ability to reduce costs and deliver quality products has prepared us for the conditions this uncertain market may present to us.

Comparison of Year Ended December 31, 2002 to Year Ended December 31, 2001

Revenues. Revenues for the year ended December 31, 2002 increased by $26.6 million, or 1.1 percent, to $2,360.3 million from $2,333.7 million for 2001. Factors that favorably impacted revenue in 2002 included an increase in the North American automotive and recreation vehicle production volumes, the strengthening of the European currencies in relation to the U.S. dollar and an increase in new business in Dura's core products. Slightly offsetting these favorable items was the impact of Dura's divestiture actions, continued weakness in European volumes and the impact of strategically exiting certain of Dura's low margin non-core businesses in Europe.

Cost of Sales. Cost of sales for the year ended December 31, 2002 increased by $21.4 million, or 1.1 percent, to $2,035.0 million from $2,013.6 million for 2001. Cost of sales as a percentage of revenues for the year ended December 31, 2002 was 86.2 percent, which is basically flat compared to 86.3 percent for 2001.

Selling, General, and Administrative. Selling, general, and administrative expenses for the year ended December 31, 2002 increased by $1.2 million, or 0.9 percent, to $135.6 million from $134.4 million in 2001. As a percentage of revenue, selling, general and administrative expenses remained basically flat at 5.7 percent for 2002, compared to 5.8 percent for 2001.

Facility Consolidation and Other Charges. In December 2002, Dura announced a plan to close its Livonia, Michigan facility and its Cauvigny, France facility. These actions resulted in a fourth quarter 2002 restructuring charge of $12.9 million, approximately $8.5 million of which was cash related. The charge related to the closure of the Livonia facility included severance related costs of $0.7 million, asset impairment of $3.2 million and other facility closure costs of $0.1 million. The charge related to the closure of the Cauvigny facility included severance related costs of $7.7 million and asset impairment of $1.2 million. Dura expects to fund these expenditures through cash flow from operations. Costs incurred and charged to the reserve related to the closure of these two facilities as of December 31, 2002 amounted to $0.2 million in severance related costs. The decision to close the Livonia facility resulted in a reduction in the work force of approximately 20 salaried and 127 hourly employees, none of which have been let go as of December 31, 2002. The decision to close the Cauvigny facility will result in a reduction in the work force of approximately 208 salaried employees, none of which have been let go as of December 31, 2002. These restructuring actions are anticipated to be complete by December 31, 2003.

In July 2002, Dura announced a plan to combine its Benton Harbor, Michigan and Butler, Indiana facilities in North America. This action resulted in a third quarter 2002 restructuring charge of $1.1 million, including severance of $0.6 million and facility closure costs of $0.5 million. Additionally, Dura expensed as incurred certain equipment relocation costs of $0.1 million. Costs incurred and charged to the reserve as of December 31, 2002 amounted to $0.2 million in severance related costs. The decision to close the Benton Harbor facility resulted in a reduction in the work force of approximately 12 salaried and 44 hourly employees, all of which have been let go as of December 31, 2002. These restructuring actions are anticipated to be complete by September 30, 2003. During the fourth quarter of 2002, Dura expensed as incurred certain equipment relocation costs of $0.3 million and other costs of $0.4 million related to the closure of the Benton Harbor facility. Approximately $1.7 million of these charges were cash related. Dura expects to fund these expenditures through cash flow from operations.

Amortization Expense. Amortization expense for the year ended December 31, 2002 decreased by $25.7 million, or 96.3 percent, to $1.0 million from $26.7 million in 2001. The decrease is the result of Dura adopting SFAS No. 142 "Goodwill and Other Intangible Assets", effective January 1, 2002. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized, but reviewed annually, or more frequently if impairment indicators arise (see Significant Accounting Policies below).

Interest Expense. Interest expense for the year ended December 31, 2002 decreased by $16.6 million, or 16.5 percent, to $83.9 million from $100.5 million in 2001. The decrease in interest expense is due to lower interest rates on LIBOR contracts, offset by the higher effective interest cost related to the issuance of $350.0 million of Senior Notes (see below).

Income Taxes. The effective tax rate for the year ended December 31, 2002 was 44.8 percent compared to the 2001 effective tax rate of 30.8 percent. The increase in the effective tax rate relates to the mix of income and loss among Dura's tax jurisdictions, not benefiting losses in certain locations, increases in valuation allowances in certain tax jurisdictions and not benefiting the facility consolidation charge related to Cauvigny.

Minority Interest. Minority interest for the years ended December 31, 2002 and 2001 represents dividends, net of income tax benefits, on the $55.3 million 7½ percent Convertible Trust Preferred Securities ("Preferred Securities") which were issued on March 20, 1998.

Income from Continuing Operations. Income from continuing operations for the year ended December 31, 2002 increased by $25.3 million, or 119.3 percent, to $46.5 million from $21.2 million in 2001. The increase is primarily due to an increase in revenues and decreases in both amortization expense and interest expense, as described above. These increases to income from continuing operations were offset by an increase in the provision for income taxes, also described above.

Discontinued Operations. During the fourth quarter of 2002, Dura adopted a plan to divest its Mechanical Assemblies Europe business, as it believes this business will not assist Dura in reaching its strategic growth and profitability targets for the future. The Mechanical Assemblies Europe business generated annualized revenues of approximately $111.9 million from facilities in Grenoble and Boynes, France; and Woodley, Nottingham and Stourport, UK. The Mechanical Assemblies Europe divestiture was treated as a discontinued operation under SFAS No. 144 (See Note 3 to the consolidated financial statements).

In conjunction with that decision, Dura recorded a loss from the Mechanical Assemblies Europe business of approximately $107.4 million in the fourth quarter of 2002, of which approximately $15.0 million is cash related. Including the previously disclosed and reported divestiture of the Steering Gear product line in the second quarter of 2002 and exit of the European pedal product line in the third quarter of 2002, the total loss from discontinued operations for the year ended December 31, 2002 was $126.6 million, on which no tax benefit was recorded. These losses relate primarily to asset write-downs of $53.3 million, contractual commitments and transaction related costs of $15.0 million, and year-to-date operating losses of $58.3 million. The operating losses include a pension settlement charge of $18.1 million and facility consolidation costs related to the Steering and Pedal product line disposals completed in second and third quarter of 2002 of $19.2 million and $2.4 million, respectively.

Extraordinary Item. The extraordinary loss for the year ended December 31, 2002 represents the write-off, net of income taxes, of debt financing costs in connection with the repayment of borrowings outstanding under the Credit Agreement (see Liquidity and Capital Resources below).

Cumulative Effect of Change in Accounting. The cumulative effect of change in accounting for the year ended December 31, 2002 represents the write-off of goodwill as a result of Dura adopting SFAS No. 142, effective January 1, 2002 (see Significant Accounting Policies below).

Net Income (Loss). Net income (loss) for the year ended December 31, 2002 decreased by $299.9 million to a loss of $288.7 million, from income of $11.2 million in 2001. The decrease primarily relates to the loss from discontinued operations and the write-off of goodwill, as described above. Further contributing to the decrease was the write-off, net of income taxes, of debt financing costs, as well as the additional fluctuations in income from continuing operations described above.

New Accounting Pronouncements. In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," which amends SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirement of SFAS No. 123 to require more prominent and more frequent disclosures in financial statements of the effects of stock-based compensation. The transition guidance and annual disclosure provisions of SFAS No. 148 are effective for fiscal years ending after December 15, 2002. The interim disclosure provisions are effective for financial reports containing condensed financial statements for interim periods beginning after December 15, 2002. The adoption of the new disclosure provisions of SFAS No. 148 did not have a material impact on Dura's consolidated balance sheet or results of operations, with the annual required disclosures included herein (see Note 6 to the consolidated financial statements).

In November 2002, the FASB issued FASB Interpretation No. ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". FIN 45 clarifies the requirements for a guarantor's accounting for and disclosure of certain guarantees issued and outstanding. The initial recognition and initial measurement provisions of FIN 45 are applicable to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of FIN 45 is not expected to have a significant impact on Dura's consolidated balance sheet or results of operations; however, Dura adopted the disclosure requirement provisions of this pronouncement during 2002, with required disclosures included herein (see Note 2 to the consolidated financial statements).

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The principal difference between SFAS No. 146 and EITF 94-3 relates to SFAS No. 146's requirements for the timing of recognizing a liability for a cost associated with an exit or disposal activity. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF 94-3 a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 must be applied prospectively for exit or disposal activities that are initiated after December 31, 2002. SFAS No. 146 also increases the disclosure requirements associated with exit or disposal activities. While the adoption will not impact Dura's current financial position or results of operations, should Dura initiate further exit or disposal activities in the future, Dura would be required to follow this new pronouncement.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This statement eliminates the automatic classification of gain or loss on extinguishment of debt as an extraordinary item of income and requires that such gain or loss be evaluated for extraordinary classification under the criteria of Accounting Principles Board ("APB") Opinion No. 30 "Reporting Results of Operations." This statement also requires sales-leaseback accounting for certain lease modifications that have economic effects that are similar to sales-leaseback transactions, and makes various other technical corrections to existing pronouncements. This statement will be effective for Dura beginning January 1, 2003. The adoption of this statement will result in a reclassification within results of operations related to the write-off of debt issuance costs during the second quarter of 2002 in connection with certain financing transactions (see Note 8 to the consolidated financial statements).

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which was effective for fiscal years beginning after December 15, 2001. The provisions of this statement provide a single accounting model for impairment and disposal of long-lived assets. Dura adopted SFAS No. 144 on January 1, 2002, the adoption of this pronouncement did not have a material impact on results of continuing operations or financial position (see Note 3 to the consolidated financial statements).

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires recognition of a liability for any legal obligations associated with the retirement of a tangible long-lived asset. Any such liability will be recorded at fair value when incurred and generally results in an increase to the carrying amount of the related long-lived asset. This statement will be effective for Dura beginning January 1, 2003. The adoption of this statement is not anticipated to have a material effect on results of operations or financial position.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations," and SFAS No. 142. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized, but reviewed annually, or more frequently if impairment indicators arise. Separable intangible assets that are not deemed to have indefinite lives will continue to be amortized over their useful lives, but with no maximum life. The amortization provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, Dura was required to adopt SFAS No. 142 effective January 1, 2002 (see Significant Accounting Policies below).

Comparison of Year Ended December 31, 2001 to Year Ended December 31, 2000

Revenues. Revenues for the year ended December 31, 2001 decreased by $131.7 million, or 5.3 percent, to $2,333.7 million from $2,465.4 million for 2000. Factors that unfavorably impacted revenue in 2001 included the weakness in both the North American automotive and recreation vehicle markets as well as the weakening of the European currencies in relation to the US dollar. Approximately 29 percent of Dura's total revenues are generated from European operations and 8 percent of total revenues are generated from the recreation vehicle market.

Cost of Sales. Cost of sales for the year ended December 31, 2001 decreased by $70.8 million, or 3.4 percent, to $2,013.6 million from $2,084.4 million for 2000. Cost of sales as a percentage of revenues for the year ended December 31, 2001 was 86.3 percent compared to 84.5 percent for 2000. The corresponding reduction in gross margin is primarily the result of the decreased volumes in the North American automotive and recreation vehicle markets as well as inefficiencies resulting from difficult product launches in Europe. These items were partially offset by the benefit from the implementation of Dura's restructuring plan and continued focus on cost reduction.

Selling, General, and Administrative. Selling, general, and administrative expenses for the year ended December 31, 2001 decreased by $19.5 million, or 12.7 percent, to $134.4 million from $153.9 million in 2000. As a percentage of revenue, selling, general and administrative expenses decreased to 5.8 percent for 2001 compared to 6.2 percent for 2000. The decrease in cost is primarily the result of the salaried headcount reduction actions taken in late 2000 and early 2001.

Facility Consolidation, Product Recall and Other Charges. In November 2001, Dura entered into a definitive agreement to divest its Plastic Products business for total proceeds of approximately $41.0 million. The transaction closed on January 28, 2002. The Plastic Products business designed, engineered, and manufactured plastic components for a wide variety of automotive vehicle applications, focusing on the metal to plastic conversion and dual plastic applications markets. This business employed approximately 750 people in three facilities located in Mishawaka, Indiana; Bowling Green, Kentucky; and Jonesville, Michigan and generated approximately $80.0 million in annual revenue. Two members of Dura's Board of Directors are members of management of an investor group which is general partner of the controlling shareholder of the acquiring company. Dura recorded a noncash charge of approximately $7.4 million in the fourth quarter of 2001 for the estimated loss upon divestment. In the second quarter of 2002, Dura recorded an additional $1.9 million charge related to final negotiation of purchase price adjustments.

In October 2001, Dura successfully completed the sale of its Thixotech business located in Canada for total proceeds of approximately $4.1 million. Thixotech generated approximately $10.0 million of revenue on an annualized basis, and is a manufacturer of magnesium injection molded products for the electronics, communications, power tools and automotive industries. Dura recorded a noncash charge related to this transaction of approximately $5.2 million in the fourth quarter of 2001.

In August 2001, Dura divested its Australian operations resulting in a charge of approximately $7.5 million in the third quarter of 2001. Approximately $2.0 million of this charge was cash related. The Australian operations generated approximately $10.0 million of revenue on an annualized basis and produced parking brakes, jacks, pedal assemblies, hinges and latches for the automotive industry.

Throughout 2000 and 2001 Dura has evaluated manufacturing capacity issues and opportunities for cost reduction given the reduced demand in the North America automotive and recreation vehicle markets and the available capacity within Dura's operations. As a result, beginning in the fourth quarter of 2000, Dura began to implement several actions including discontinuing operations in two North American facilities, combining the Driver Control and Engineered Products divisions into one (Control Systems), and reducing and consolidating certain support activities to achieve an appropriate level of support personnel relative to remaining operations and future business requirements. These actions resulted in a fourth quarter 2000 restructuring charge of $6.8 million, including severance related payments of $6.2 million and facility closure costs of approximately $0.6 million. Additionally in

2000, Dura expensed as incurred equipment relocation costs of $0.8 million. In continuation of the actions taken in 2000, Dura recorded $2.4 million of additional restructuring charges in the first quarter and $2.0 million in the fourth quarter of 2001 relating to employee severance. Dura also expensed as incurred approximately $0.2 million of equipment relocation costs incurred during the first quarter of 2001. The effect of the costs expensed as incurred are reflected as facility consolidation and other charges in the 2001 consolidated statements of operations. Costs incurred and charged to the reserves as of December 31, 2002 amounted to $11.0 million in severance related costs and $1.0 million in facility closure costs. During 2001 and 2002, additional adjustments were made of $0.1 million and $0.3 million, respectively, to decrease the reserve for employee severance as the actual costs incurred were less than originally estimated. The decision to exit the two facilities resulted in a reduction in the work force of approximately 52 salaried and 408 hourly employees, all of which have been let go as of December 31, 2002. Additionally, the decision to consolidate two divisions into one and to reduce support personnel to a level consistent with future business requirements resulted in a reduction of approximately 217 salaried employees, all of which have been let go as of December 31, 2002.

Amortization Expense. Amortization expense for the year ended December 31, 2001 decreased by $0.4 million, or 1.5 percent, to $26.7 million from $27.1 million in 2000. The slight decrease is due to the impact of foreign exchange on European goodwill during 2001.

Interest Expense. Interest expense for the year ended December 31, 2001 decreased by $11.4 million, or 10.2 percent, to $100.5 million from $111.9 million in 2000. The decrease in interest expense is due to lower interest rates on LIBOR contracts and debt pay-down of approximately $131.2 million during 2001, offset by the higher interest cost related to the additional issuance of $158.5 million of Subordinated Notes and the unfavorable impact of existing interest rate swap agreements.

Income Taxes. The effective tax rate for the year ended December 31, 2001 was 30.8 percent compared to the 2000 effective tax rate of 40.9 percent. The effective income tax rate decreased as a result of the implementation of tax planning strategies during 2001, a reduction in the statutory tax rates in Germany that became effective in 2001 and a tax holiday in the Czech Republic for 2001. The effective rate differs from statutory rates due primarily to the mix of income/loss among the countries in which Dura operates, the effect of non-deductible goodwill amortization and the effects of various tax planning strategies.

Minority Interest. Minority interest for the years ended December 31, 2001 and December 31, 2000 represents dividends, net of income tax benefits, on the Preferred Securities which were issued on March 20, 1998.

Income from Continuing Operations. Income from continuing operations for the year ended December 31, 2001 decreased by $19.5 million, or 47.9 percent, to $21.2 million from $40.7 million in 2000. The decrease is primarily due to decreases in revenues and gross margin, as described above. These decreases to income from continuing operations were offset by decreases in selling, general and administrative expenses, interest expense and the provision for income taxes, also described above.

Discontinued Operations. Income (loss) from discontinued operations for the year ended December 31, 2001 decreased by $11.0 million to a loss of $10.0 million, from income of $1.0 million in 2000. The decrease is due to lower volumes in these businesses and certain product warranty costs.

Net Income (Loss). Net income (loss) for the year ended December 31, 2001 decreased by $30.6 million to $11.2 million, from $41.8 million in 2000. The decrease primarily relates to the decrease in income from continuing operations described above, as well as a decrease in income (loss) from discontinued operations.

Liquidity and Capital Resources

During 2002, Dura provided cash from operations of $204.2 million, compared to $232.6 million in 2001. Cash generated from operations before changes in working capital items was $134.8 million for 2002 compared to $140.4 million for 2001. Working capital generated cash of $69.4 million in 2002 compared to $92.2 million in 2001. This reduction in cash generated from working capital is primarily the result of the strengthening of the European currencies in relation to the U.S. dollar.

Net cash used in investing activities was $23.3 million for 2002 as compared to $68.1 million in 2001. Net proceeds from the disposition of the Plastic Products business provided $31.0 million and net capital expenditures totaled $54.3 million for 2002. The capital expenditures were primarily for equipment and dedicated tooling purchases related to new or replacement programs. This compares with net capital expenditures of $68.1 million in 2001. The decrease is due to Dura's continued focus on cash management.

Net cash used in financing activities totaled $20.7 million for 2002 compared with $133.5 million in 2001, principally for the repayment of outstanding indebtedness.

In March 1999, Dura entered into its Credit Agreement. The Credit Agreement originally provided for revolving credit facilities of $400.0 million, a $275.0 million tranche A term loan, a $275.0 million tranche B term loan, and a $200.0 million interim term loan facility.

In April 2002, Dura completed the offering of its 8-5/8 percent Senior Notes, due April 2012. The interest on the Senior Notes is payable semiannually beginning October 15, 2002. Net proceeds from this offering of approximately $341.0 million were used to repay the outstanding balance of the $275.0 million tranche A term loan and a portion of the $275.0 million tranche B term loan. Dura then replaced the remaining tranche B term loan with a $150.0 million tranche C term loan. In addition, the revolving credit facility was decreased to $390.0 million. Borrowings under the tranche C term loan are based on LIBOR and are due and payable in December 2008 with no early repayment penalties. In conjunction with these transactions, Dura obtained an amendment to the Credit Agreement to allow for the Senior Notes offering and to further adjust certain financial covenants. Dura also entered into a fixed-to-floating interest rate swap (notional amount of $325.0 million) with various financial institutions that more closely mirrors the cost of its bank debt (see Note 2 to the consolidated financial statements). In connection with the repayment of borrowings outstanding under the Credit Agreement, Dura wrote off debt issuance costs of approximately $3.4 million, net of income taxes, during the second quarter of 2002. This write-off is reflected as an extraordinary item in the consolidated statement of operations for the year ended December 31, 2002. Included in interest expense, net, in the consolidated statements of operations is approximately $2.4 million, $2.3 million and $2.8 million of interest income earned on Dura's cash balances in the years ended December 31, 2002, 2001, and 2000, respectively.

As of December 31, 2002, rates on borrowings under the Credit Agreement are based on LIBOR and were 3.92 percent. The revolving credit facility is available until March 2005. The Credit Agreement contains various restrictive covenants which limit indebtedness, investments, rental obligations, and cash dividends. The Credit Agreement also requires Dura to maintain certain financial ratios including minimum liquidity and interest coverage. In conjunction with the decision to divest the Mechanical Assemblies Europe business, Dura obtained an amendment to its Credit Agreement and was in compliance with the covenants as of December 31, 2002. Borrowings under the Credit Agreement are collateralized by substantially all assets of Dura.

The Credit Agreement provides Dura with the ability to denominate a portion of its revolving credit borrowings in foreign currencies up to an amount equal to $150.0 million. As of December 31, 2002, Dura had no borrowings outstanding under the revolver.

Dura also utilizes uncommitted overdraft facilities to satisfy the short-term working capital requirements of its foreign subsidiaries. At December 31, 2002, Dura had $2.4 million outstanding under its overdraft facilities. At December 31, 2002, Dura had overdraft facilities available from banks of approximately $41.9 million.

At December 31, 2002, Dura had unused borrowing capacity of approximately $370.5 million of which $120.1 million was available under its most restrictive debt covenant. Dura also utilizes uncommitted overdraft facilities to satisfy the short-term working capital requirements of its foreign subsidiaries. At December 31, 2002, Dura had overdraft facilities outstanding of $2.4 million, which is included in current maturities of long-term debt on the balance sheet. At December 31, 2002, Dura had overdraft facilities available from banks of approximately $41.9 million. The average interest rates on the outstanding overdraft facilities at December 31, 2002 was approximately 5.68 percent.

In April 1999, Dura completed the offering of its Subordinated Notes, due May 2009. The interest on the Subordinated Notes is payable semiannually. Net proceeds from this offering of approximately $394.7 million were used to repay the $200.0 million interim term loan, approximately $78.1 million to retire other indebtedness, and approximately $118.9 million was used for general corporate purposes. In June 2001, Dura completed a similar offering of 9 percent senior subordinated notes due May 2009 with a face amount of $158.5 million. The interest on these notes is also payable semiannually. Unamortized discount and debt issuance costs were approximately $8.5 million, yielding an imputed interest rate of 10 percent. Net proceeds of approximately $147.1 million were used to reduce the borrowings outstanding under the revolving credit facility. These notes are collateralized by guarantees of certain of Dura's subsidiaries.

Dura is limited as to its ability to declare or make certain dividend payments or other distributions of assets under its Credit Agreement and Subordinated Notes. Certain distributions relating to items such as; a company stock purchase program, tax sharing arrangements and as required under Dura's Preferred Securities are permitted.

Dura's principal source of liquidity is cash flow generated from operations and borrowings under its $390 million revolving credit facilities. Dura believes that such funds will be sufficient to its liquidity needs for at least the next twelve months. Dura's principal use of liquidity will be to meet debt service requirements, finance capital expenditures and to provide working capital availability. Dura expects that capital expenditures in 2003 will be approximately $70.0 million. These capital expenditures will be used primarily for equipment and dedicated tooling purchases and facility improvements.

Dura's ability to service its indebtedness will depend on its future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Certain of these factors are beyond Dura's control. Dura believes that, based upon current levels of operations, it will be able to meet its debt service obligations when due. Significant assumptions underlie this belief, including, among other things, that Dura will continue to be successful in implementing its business strategy and that there will be no material adverse developments in its business, liquidity or capital requirements. If Dura cannot generate sufficient cash flow from operations to service its indebtedness and to meet its other obligations and commitments, Dura might be required to refinance its debt or to dispose of assets to obtain funds for such purpose. There is no assurance that refinancing or asset dispositions could be effected on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of the Credit Agreement. In the event that Dura is unable to refinance the Credit Agreement or raise funds through asset sales, sales of equity or otherwise, its ability to pay principal of, and interest on, its debt would be impaired.

Subsequent Event

In March 2003, Dura completed the divestiture of its Mechanical Assemblies Europe business to Magal Engineering and members of the local management group, located in Woodley, England. The divestiture was part of Dura's strategic repositioning to focus Dura on businesses that meet its future growth and profitability targets. The European Mechanical Assemblies business employs approximately 990 people at facilities located in Grenoble and Boynes, France; and Woodley, Nottingham and Stourport, UK. The European Mechanical Assemblies business generated annualized revenues of approximately $111.9 million.

Contractual Obligations

The following table presents Dura's contractual obligations at December 31, 2002 (in thousands):

	Payments due by period				
	Total	Less than one year	One - three years	Three - five years	More than five years
Long-term debt	$ 164,847	$ 4,313	$ 11,267	$ 5,110	$ 144,157
Senior notes	350,000	-	-	-	350,000
Subordinated notes	556,632	-	-	-	556,632
Capital lease obligations and other noncurrent liabilities	4,729	2,841	778	628	482
Mandatorily redeemable convertible trust preferred securities	55,250	-	-	-	55,250
Operating leases	84,230	20,161	33,596	11,349	19,124
Total	$ 1,215,688	$ 27,315	$ 45,641	$ 17,087	$ 1,125,645

Significant Accounting Policies

Dura's significant accounting policies are more fully described in Note 2 of the consolidated financial statements. Certain of Dura's accounting policies require the application of significant judgement by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty.

Revenue Recognition and Sales Commitments. Dura recognizes revenue as its products are shipped to its customers. Dura enters into agreements with its customers at the beginning of a given vehicle's life to produce products. Once such agreements are entered into by Dura, fulfillment of the customers' purchasing requirements is the obligation of Dura for the entire production life of the vehicle, with terms of up to seven years, and Dura has no provisions to terminate such contracts. In certain instances, Dura may be committed under existing agreements to supply product to its customers at selling prices which are not sufficient to cover the direct cost to produce such product. In such situations, Dura records a liability for the estimated future amount of such losses. Such losses are recognized at the time that the loss is probable and reasonably estimable and is recorded at the minimum amount necessary to fulfill Dura's obligations to its customers.

Valuation of Goodwill. Goodwill represents the excess of the purchase price over the fair value of the net assets acquired, and, prior to the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," was amortized over 40 years. Effective January 1, 2002, goodwill is no longer amortized, but is instead subjected to annual impairment testing in accordance with the provisions of SFAS No. 142. Other assets principally consist of pension plan assets in excess of accumulated benefits; debt financing costs, which are being amortized over the term of the applicable agreements; and deferred income taxes.

Upon adoption of SFAS No. 142, Dura completed step one of the transitional goodwill impairment test, using a combination of valuation techniques, including the discounted cash flow approach and the market multiple approach, for each of its four reporting units (Control Systems, Body & Glass, Mobile Products and Other Operating Companies). The information obtained by Dura as part of its market multiple based approach was based upon externally sourced information. The discounted cash flow technique involves the use of two key assumptions: 1) estimated future income and resulting cash flows and 2) an estimated discount rate, both of which are highly subjective and likely to change in the future. Both of these methods use estimates which may change in the future and, if such changes are adverse, could impact the recorded value of goodwill on Dura's consolidated balance sheet. Accordingly, Dura may be required to record a non-cash charge to operations for goodwill impairment in the future, which could adversely affect reported earnings and, consequently, its stockholders' investment.

Upon completion of the required assessments under SFAS No. 142, it was determined that the fair market value of the goodwill assigned to its Control Systems and Other Operating Companies reporting units was lower than its book value, resulting in a transitional impairment charge of approximately $205.2 million, representing the write-off of 25 percent of the Control Systems reporting unit goodwill and 100 percent of the Other Operating Companies reporting unit goodwill. The write-off was recorded as a cumulative effect of a change in accounting principle in Dura's consolidated statement of operations for the year ended December 31, 2002. In the case of Body & Glass and Mobile Products, the difference between the net asset value, including goodwill, and the fair value is large; in the case of Control Systems, as a result of the impairment charge taken, it was equal to the estimated fair value on January 1, 2002. As a result, specific adverse changes in assumptions would not necessarily result in goodwill impairment charges across all reporting units equally. For example, if the market multiple used at January 1, 2002 would have been 0.5 times lower (independent of all other factors), it would have resulted in an additional charge to goodwill related to the Control Systems reporting unit of approximately $76.4 million. The fair value of Body & Glass and Mobile Products would still have been in excess of their recorded book values. If an impairment would have been indicated, such amount would be preliminary, since upon identifying any possible impairment charge, Dura would then be required to perform a secondary step to determine the fair value of all assets and liabilities of the applicable reporting unit in order to determine the actual impairment, if any. Similar differences would result with respect to changes in the discount rate or cash flow assumptions used in the discounted cash flow approach. If the market multiple, discount rate or estimated future cash flows were to change favorably, there would be no resulting impairment charge. In addition, Dura operates in the vehicle component supply industry, which has recently experienced an economic downturn. The failure of this industry to rebound and/or Dura's failure to maintain or improve sales and operating results could result in future goodwill impairment charges.

Accounting for Income Taxes. As part of the process of preparing its consolidated financial statements Dura is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves Dura estimating its actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within Dura's consolidated balance sheet. Dura must then assess the likelihood that its deferred tax assets will be recovered from future taxable income and to the extent it believes that recovery is not likely, Dura must establish a valuation allowance. To the extent Dura establishes a valuation allowance or increase this allowance in a period, it must include an expense within the tax provision in the statement of operations. Significant management judgment is required in determining Dura's provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against its net deferred tax assets. Dura has recorded a valuation allowance of $41.1 million as of December 31, 2002, due to uncertainties related to its ability to utilize some of its deferred tax assets, primarily certain net operating loss carryovers before they expire. The valuation allowance is based on Dura's estimates of taxable income by jurisdiction in which it operates and the period over which its deferred tax assets will be recoverable. In the event that actual results differ from these estimates or Dura adjust these estimates in future periods, the effects of these adjustments could materially impact Dura's financial position and results of operations. The net deferred tax asset as of December 31, 2002 was $28.2 million, net of a valuation allowance of $41.1 million.

Defined Benefit Plans and Post-retirement Benefits. Dura sponsors 15 defined benefit plans that cover certain hourly and salaried employees in the United States and certain European countries. Dura's policy is to make annual contributions to the plans to fund the normal cost as required by local regulations. In addition, Dura has nine postretirement medical benefit plans for certain employee groups and has recorded a liability for its estimated obligation under these plans. In calculating obligation and expense, Dura is required to select certain actuarial assumptions, as more fully described in Note 12 to our consolidated financial statements. These assumptions include discount rate, expected long-term rate of return on plan assets and rates of increase in compensation and healthcare costs. Dura's assumptions are determined based on current market conditions, historical information and consultation with and input from its actuaries. Dura has historically used September 30 as its annual measurement date. For 2002, Dura assumed a discount rate of 5.0 to 6.75 percent for its pension benefits, and 6.75 percent for its post-retirement benefits other than pensions. Holding other variables constant (such as expected return on plan assets and rate of compensation increase), a one percentage point increase in the discount rate related to Dura's most significant plans would have increased Dura's expense by $12.6 million and obligations by $0.9 million.

While any negative impact of these Critical Accounting Policies would generally result in non-cash charges to earnings, the severity of any charge and its impact on stockholders' investment could adversely affect Dura's borrowing agreements, cost of capital and ability to raise external capital. Dura's senior management has reviewed these Critical Accounting Policies with the Audit Committee of its board of Directors, and the Audit Committee has reviewed its disclosure in this management discussion and analysis.

Quarterly Results of Operations and Seasonality

Dura typically experiences decreased revenues and operating income during the third calendar quarter of each year due to production shutdowns at OEMs for model changeovers and vacations. The recreation vehicle market is seasonal in that sales in the fourth quarter are normally at reduced levels.

Effects of Inflation

Inflation potentially affects Dura in two principal ways. First, a significant portion of Dura's debt is tied to prevailing short-term interest rates which may change as a result of inflation rates, translating into changes in interest expense. Second, general inflation can impact material purchases, labor and other costs. In many cases, Dura has limited ability to pass through inflation-related cost increases due to the competitive nature of the markets that Dura serves. In the past few years, however, inflation has not been a significant factor.

Market Risk

Dura is exposed to various market risks, including changes in foreign currency exchange rates and interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange and interest rates. Dura does not enter into derivatives or other financial instruments for trading or speculative purposes. Dura enters into financial instruments to manage and reduce the impact of changes in foreign currency exchange rates and interest rates. The counterparties are major financial institutions.

Dura manages its interest rate risk by balancing the amount of fixed and variable debt. For fixed rate debt, interest rate changes affect the fair market value of such debt, but do not impact earnings or cash flows. Conversely for variable rate debt, interest rate changes generally do not affect the fair market value of such debt but do impact future earnings and cash flows, assuming other factors are held constant. At December 31, 2002, giving effect to the interest rate swaps discussed below, Dura had fixed rate debt of $599.5 million and variable rate debt of $476.7 million. Holding other variables constant (such as foreign exchange rates and debt levels), a one percentage point increase in interest rates would have decreased the fair market value of Dura's debt at December 31, 2002 by approximately $65.9 million, $21.6 million of which relates to Dura’s interest rate swap agreements (see below), and would be expected to have an estimated impact on pre-tax earnings and cash flows for the next year of approximately $4.8 million.

At December 31, 2002, Dura had outstanding interest rate swap contracts that effectively converted $325.0 million of its Senior Notes into floating rate obligations. Under these swap contracts, which expire in April 2012, Dura receives payments at fixed rates, while it makes payments at variable rates (8.6 percent to approximately 4.1 percent at December 31, 2002). The net interest paid or received is included in interest expense. Dura designated these swap contracts as a fair value hedge at their inception. At December 31, 2002, the fair value of the interest rate swap contracts was a net gain position for Dura of approximately $30.5 million, representing the estimated cost that would be incurred to terminate the agreements, and is included in current and noncurrent assets with a corresponding increase to debt in the accompanying consolidated December 31, 2002 balance sheet.

Dura also uses forward exchange contracts to hedge its foreign currency exposure related to certain intercompany transactions. Dura designated these contracts at their inception as a cash flow hedge. At December 31, 2002, Dura had outstanding contracts to purchase Euro 15.0 million (approximately $15.1 million), and Pounds 2.0 million (approximately $3.1 million). The estimated fair values of these foreign exchange contracts based upon market quotes were approximately $15.7 million and $3.2 million, respectively. The net unrealized losses of approximately $0.6 million and $0.1 million are included in accumulated other comprehensive loss in the accompanying consolidated December 31, 2002 statement of stockholders' investment.

The counter parties to the above agreements are major financial institutions. Dura does not enter into or hold derivatives for trading or speculative purposes.

Foreign Currency Transactions

A significant portion of Dura's revenues during the year ended December 31, 2002 were derived from manufacturing operations in Europe, Canada and Latin America. The results of operations and the financial position of Dura's operations in these countries are principally measured in their respective currency and translated into U.S. dollars. The effects of foreign currency fluctuations in such countries are somewhat mitigated by the fact that expenses are generally incurred in the same currencies in which revenues are generated. The reported income of these subsidiaries will be higher or lower depending on a weakening or strengthening of the U.S. dollar against the respective foreign currency.

A significant portion of Dura's assets at December 31, 2002 are based in its foreign operations and are translated into U.S. dollars at foreign currency exchange rates in effect as of the end of each period, with the effect of such translation reflected as a separate component of stockholders' investment. Accordingly, Dura's consolidated stockholders' investment will fluctuate depending upon the weakening or strengthening of the U.S. dollar against the respective foreign currency.

Dura's strategy for management of currency risk relies primarily upon conducting its operations in such countries' respective currency and Dura may, from time to time, engage in hedging programs intended to reduce Dura's exposure to currency fluctuations (see discussion above on “Market Risk”).

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

See “Market Risk” and “Foreign Currency Transactions” sections of Item 7.

Item 8. ***Financial Statements and Supplementary Data***

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Dura Automotive Systems, Inc.

We have audited the accompanying consolidated balance sheets of Dura Automotive Systems, Inc. (a Delaware corporation) and subsidiaries as of December 31, 2002 and 2001 and the related consolidated statements of operations, stockholders' investment and cash flows for the years ended December 31, 2002, 2001 and 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Dura Automotive Systems, Inc. and subsidiaries as of December 31, 2002 and 2001 and the results of their operations and their cash flows for the years ended December 31, 2002, 2001 and 2000 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2002, the Company changed its method of accounting for goodwill and other intangible assets.

DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
March 24, 2003

DURA AUTOMOTIVE SYSTEMS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	As of December 31 2002	As of December 31 2001
	(in thousands, except share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 143,237	$ 32,289
Accounts receivable, net of reserve for doubtful accounts of $3,717 and $4,487	245,615	263,580
Inventories	114,573	105,261
Current portion of derivative instruments	15,825	-
Other current assets	103,875	119,694
Current assets of discontinued operations	32,041	47,816
Total current assets	655,166	568,640
Property, Plant and Equipment:		
Land and buildings	187,269	195,749
Machinery and equipment	493,826	437,123
Construction in progress	21,576	29,928
Less - Accumulated depreciation	(258,192)	(185,828)
Net property, plant and equipment	444,479	476,972
Goodwill, net of accumulated amortization	774,983	962,467
Noncurrent portion of derivative instruments	14,698	-
Other assets, net of accumulated amortization of $23,726 and $20,567	47,607	40,105
Noncurrent assets of discontinued operations	-	73,420
	$ 1,936,933	$ 2,121,604
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current Liabilities:		
Accounts payable	$ 216,045	$ 225,347
Accrued liabilities	193,973	166,823
Current maturities of long-term debt	7,154	60,442
Current liabilities of discontinued operations	25,931	35,386
Total current liabilities	443,103	487,998
Long-term debt, net of current maturities	162,422	472,427
Senior notes	350,000	-
Subordinated notes	556,632	539,700
Senior notes - derivative instrument adjustment	30,523	-
Other noncurrent liabilities	134,201	117,477
Noncurrent liabilities of discontinued operations	-	6,355
Total liabilities	1,676,881	1,623,957
Commitments and Contingencies (Notes 5, 12 and 13)		
Mandatorily Redeemable Convertible Trust Preferred Securities	55,250	55,250
Stockholders' Investment:		
Preferred stock, par value $1; 5,000,000 shares authorized; none issued or outstanding	-	-
Common stock, Class A; par value $.01; 60,000,000 shares authorized	165	147
Common stock, Class B; par value $.01; 10,000,000 shares authorized	17	31
Additional paid-in capital	347,065	342,694
Treasury stock at cost	(1,974)	(1,891)
Retained earnings (deficit)	(127,403)	161,268
Accumulated other comprehensive loss	(13,068)	(59,852)
Total stockholders' investment	204,802	442,397
	$ 1,936,933	$ 2,121,604

See notes to consolidated financial statements.

DURA AUTOMOTIVE SYSTEMS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31		
	2002	2001	2000
	(in thousands, except per share amounts)		
Revenues	$2,360,323	$2,333,705	$2,465,416
Cost of sales	2,035,021	2,013,585	2,084,428
Gross profit	325,302	320,120	380,988
Selling, general and administrative expenses	135,571	134,380	153,931
Facility consolidation, product recall and other charges	16,121	24,119	14,948
Amortization expense	989	26,725	27,091
Operating income	172,621	134,896	185,018
Interest expense, net	83,908	100,514	111,929
Income from continuing operations before provision for income taxes and minority interest	88,713	34,382	73,089
Provision for income taxes	39,703	10,589	29,904
Minority interest - dividends on trust preferred securities, net	2,486	2,569	2,445
Income from continuing operations	46,524	21,224	40,740
Income (loss) from discontinued operations, including loss on disposal of $68,322 in 2002	(126,581)	(10,005)	1,037
Income (loss) before extraordinary item and accounting change	(80,057)	11,219	41,777
Extraordinary item - loss on early extinguishment of debt, net	(3,422)	-	-
Cumulative effect of change in accounting	(205,192)	-	-
Net income (loss)	$ (288,671)	$ 11,219	$ 41,777
Basic earnings (loss) per share:			
Income from continuing operations	$ 2.58	$ 1.19	$ 2.33
Discontinued operations	(7.01)	(0.56)	0.06
Extraordinary item	(0.19)	-	-
Cumulative effect of change in accounting	(11.36)	-	-
Net income (loss)	$ (15.98)	$ 0.63	$ 2.39
Diluted earnings (loss) per share:			
Income from continuing operations	$ 2.48	$ 1.18	$ 2.29
Discontinued operations	(6.41)	(0.56)	0.06
Extraordinary item	(0.17)	-	-
Cumulative effect of change in accounting	(10.38)	-	-
Net income (loss)	$ (14.48)	$ 0.62	$ 2.35

See notes to consolidated financial statements.

DURA AUTOMOTIVE SYSTEMS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

	Common Stock				Additional Paid-in Capital	Treasury Stock		Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Stockholders' Investment
	Class A		Class B							
	Shares	Amount	Shares	Amount		Shares	Amount			
BALANCE, December 31, 1999	14,101,511	$ 141	3,320,303	$ 33	$ 339,041	-	$ -	$ 108,272	$ (16,491)	$ 430,996
Sale of stock under Employee Stock Discount Purchase Plan….	63,063	1	-	-	735	-	-	-	-	736
Conversion from Class B to Class A……………………………	7,949	-	(7,949)	-	-	-	-	-	-	-
Exercise of warrants……………………………………………	152,400	1	-	-	191	-	-	-	-	192
Contributions to deferred compensation plan………………….	-	-	-		1,723	-	-	-	-	1,723
Treasury shares purchased at $13.06 per share…………………	-	-	-	-	-	131,921	(1,723)	-	-	(1,723)
Treasury share distribution……………………………………	-	-	-	-	(218)	(16,694)	218	-	-	-
Net income………………………………………………………	-	-	-	-	-	-	-	41,777		
Other comprehensive income-										
Foreign currency translation adjustment…………………….	-	-	-	-	-	-	-	-	(18,355)	
Minimum pension liability…………………………………	-	-	-	-	-	-	-	-	(1,952)	
Total comprehensive income…………………………………										21,470
BALANCE, December 31, 2000	14,324,923	143	3,312,354	33	341,472	115,227	(1,505)	150,049	(36,798)	453,394
Sale of stock under Employee Stock Discount Purchase Plan….	159,165	2	-	-	802	-	-	-	-	804
Conversion from Class B to Class A……………………………	178,814	2	(178,814)	(2)	-	-	-	-	-	-
Exercise of options………………………………………………	1,200	-	-	-	19	-	-	-	-	19
Collection of common stock subscription receivables…………	-	-	-	-	15	-	-	-	-	15
Treasury shares purchased at $8.65 per share…………………	-	-	-	-	368	42,500	(368)	-	-	-
Treasury shares purchased at $8.34 per share…………………	-	-	-	-	246	29,460	(246)	-	-	-
Treasury share distribution……………………………………	-	-	-	-	(228)	(17,422)	228		-	-
Net income………………………………………………………	-	-	-	-	-	-	-	11,219		
Other comprehensive income-										
Foreign currency translation adjustment…………………….	-	-	-	-	-	-	-	-	(18,550)	
Minimum pension liability…………………………………	-	-	-	-	-	-	-	-	(4,168)	
Derivative instruments………………………………………	-	-	-	-	-	-	-	-	(336)	
Total comprehensive loss………………………………………										(11,835)
BALANCE, December 31, 2001…………………………………	14,664,102	147	3,133,540	31	342,694	169,765	(1,891)	161,268	(59,852)	442,397
Sale of stock under Employee Stock Discount Purchase Plan….	114,482	1	-	-	881	-	-	-	-	882
Conversion from Class B to Class A……………………………	1,372,390	14	(1,372,390)	(14)	-	-	-	-	-	-
Exercise of options………………………………………………	338,765	3	-	-	3,340	-	-	-	-	3,343
Collection of common stock subscription receivables…………	-	-	-	-	67	-	-	-	-	67
Treasury shares purchased at $12.34 per share…………………	-	-	-	-	215	17,391	(215)	-	-	-
Treasury shares purchased at $13.04 per share…………………	-	-	-	-	137	10,536	(137)	-	-	-
Treasury share distribution……………………………………	-	-	-	-	(269)	(20,570)	269	-	-	-
Net loss…………………………………………………………	-	-	-	-	-	-	-	(288,671)		
Other comprehensive income-										
Foreign currency translation adjustment…………………….	-	-	-	-	-	-	-	-	54,562	
Minimum pension liability…………………………………	-	-	-	-	-	-	-	-	(7,381)	
Derivative instruments………………………………………	-	-	-	-	-	-	-	-	(397)	
Total comprehensive loss………………………………………										(241,887)
BALANCE, December 31, 2002…………………………………	16,489,739	$ 165	1,761,150	$ 17	$ 347,065	177,122	$ (1,974)	$ (127,403)	$ (13,068)	$ 204,802

See notes to consolidated financial statements.

DURA AUTOMOTIVE SYSTEMS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31		
	2002	2001	2000
		(in thousands)	
OPERATING ACTIVITIES:			
Income from continuing operations	$ 46,524	$ 21,224	$ 40,740
Adjustments required to reconcile income from continuing operations to net cash provided by operating activities -			
Depreciation and amortization	69,321	86,858	76,567
Deferred income tax provision	18,987	32,341	5,102
Change in other operating items:			
Accounts receivable	31,868	60,418	103,506
Inventories	(4,894)	25,655	(9,412)
Other current assets	2,928	24,309	(30,239)
Accounts payable and accrued liabilities	2,696	(26,718)	(79,065)
Other assets and liabilities	36,810	8,548	30,135
Net cash provided by operating activities	204,240	232,635	137,334
INVESTING ACTIVITIES:			
Capital expenditures, net	(54,312)	(68,092)	(100,010)
Proceeds from disposition of business	30,980	-	-
Acquisitions, net	-	-	(19,110)
Net cash used in investing activities	(23,332)	(68,092)	(119,120)
FINANCING ACTIVITIES:			
Borrowings under revolving credit facilities	-	184,882	682,749
Repayments of revolving credit facilities	(62,324)	(410,338)	(597,898)
Long-term borrowings	217,358	22,755	9,937
Repayments of long-term borrowings	(518,960)	(74,392)	(77,894)
Purchase of treasury shares and other, net	(83)	(386)	(1,723)
Proceeds from issuance of senior notes, net	350,000	-	-
Proceeds from issuance of subordinated notes, net	-	147,100	-
Proceeds from stock offering and exercise of stock options, net	4,292	838	928
Debt issue costs	(10,964)	(4,006)	-
Net cash provided by (used in) financing activities	(20,681)	(133,547)	16,099
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	3,917	(3,943)	(1,781)
NET CHANGE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS	164,144	27,053	32,532
NET CASH FLOW FROM DISCONTINUED OPERATIONS	(53,196)	(25,202)	(25,791)
CASH AND CASH EQUIVALENTS, beginning of period	32,289	30,438	23,697
CASH AND CASH EQUIVALENTS, end of period	$ 143,237	$ 32,289	$ 30,438
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid (refunded) for -			
Interest	$ 81,584	$ 95,729	$ 119,529
Income taxes	$ 15,351	$ (2,882)	$ 2,857

See notes to consolidated financial statements.

1. Organization and Basis of Presentation:

Dura designs and manufactures components and systems primarily for the global automotive industry. Dura has over 57 manufacturing and product development facilities located in the United States, Brazil, Canada, Czech Republic, France, Germany, Mexico, Portugal, Slovakia, Spain and the United Kingdom.

2. Significant Accounting Policies:

Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of Dura and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash Equivalents:

Cash equivalents consist of money market instruments with original maturities of three months or less and are stated at cost, which approximates fair value.

Inventories:

Inventories are valued at the lower of first-in, first-out cost or market.

Inventories consisted of the following (in thousands):

	December 31,	
	2002	2001
Raw materials	$ 62,016	$ 56,725
Work-in-process	22,225	22,686
Finished goods	30,332	25,850
	$ 114,573	$ 105,261

Other Current Assets:

Other current assets consisted of the following (in thousands):

	December 31,	
	2002	2001
Excess of cost over billings on uncompleted tooling projects	$ 40,609	$ 46,916
Deferred income taxes	27,542	29,629
Prepaid expenses	35,724	43,149
	$ 103,875	$ 119,694

Excess of cost over billings on uncompleted tooling projects represents costs incurred by Dura in the production of customer-owned tooling to be used by Dura in the manufacture of its products. Dura receives a specific purchase order for this tooling and is reimbursed by the customer within one operating cycle. Costs are deferred until reimbursed by the customer. Forecasted losses on incomplete projects are recognized currently.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost. For financial reporting purposes, depreciation is provided on the straight-line method over the following estimated useful lives:

Buildings	20 to 30 years
Machinery and equipment	3 to 20 years

Accelerated depreciation methods are used for tax reporting purposes.

Maintenance and repairs are charged to expense as incurred. Major betterments and improvements which extend the useful life of the item are capitalized and depreciated. The cost and accumulated depreciation of property, plant and equipment retired or otherwise disposed of are removed from the related accounts, and any residual values are charged or credited to income.

Goodwill and Other Assets:

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired, and, prior to the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," was amortized over 40 years. Effective January 1, 2002, goodwill is no longer amortized, but is instead subjected to annual impairment testing in accordance with the provisions of SFAS No. 142. Other assets principally consist of pension plan assets in excess of accumulated benefits; debt financing costs, which are being amortized over the term of the applicable agreements; and deferred income taxes.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations," and SFAS No. 142. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized, but reviewed annually, or more frequently if impairment indicators arise. Separable intangible assets that are not deemed to have indefinite lives will continue to be amortized over their useful lives, but with no maximum life. The amortization provisions of SFAS No. 142 apply to goodwill and intangible assets acquired after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, Dura was required to adopt SFAS No. 142 effective January 1, 2002.

Upon adoption of SFAS No. 142, Dura completed step one of the transitional goodwill impairment test, using a combination of valuation techniques, including the discounted cash flow approach and the market multiple approach, for each of its four reporting units (Control Systems, Body & Glass, Mobile Products and Other Operating Companies). Upon completion of the required assessments under SFAS No. 142, it was determined that the fair market value of the goodwill assigned to its Control Systems and Other Operating Companies reporting units was lower than its book value, resulting in a transitional impairment charge of approximately $205.2 million, representing the write-off of 25 percent of the Control Systems reporting unit goodwill and 100 percent of the Other Operating Companies reporting unit goodwill. The write-off was recorded as a cumulative effect of a change in accounting principle in Dura's consolidated statement of operations for the year ended December 31, 2002. Dura will also perform impairment tests annually, during the second quarter, and whenever events or circumstances occur indicating that goodwill or other intangible assets might be impaired. Based upon Dura's annual assessment, no impairment occurred during 2002.

Upon adoption of SFAS No. 142, Dura discontinued the amortization of goodwill. The following table presents a reconciliation of net income (loss) and earnings (loss) per share adjusted for the exclusion of goodwill amortization, net of tax (in thousands, except per share amounts):

	Years Ended December 31,		
	2002	2001	2000
Reported net income (loss)	$ (288,671)	$ 11,219	$ 41,777
Add: Goodwill amortization, net of tax	-	23,641	24,181
Adjusted net income (loss)	$ (288,671)	$ 34,860	$ 65,958
Reported basic earnings (loss) per common share	$ (15.98)	$ 0.63	$ 2.39
Add: Goodwill amortization, net of tax	-	1.33	1.38
Adjusted basic earnings (loss) per common share	$ (15.98)	$ 1.96	$ 3.77
Reported diluted earnings (loss) per common share	$ (14.48)	$ 0.62	$ 2.35
Add: Goodwill amortization, net of tax	-	1.31	1.28
Adjusted diluted earnings (loss) per common share (1)	$ (14.48)	$ 1.93	$ 3.63

(1) See Note 6 for calculation of diluted shares outstanding.

The following table represents the impact of the transitional impairment loss on the first quarter 2002 results as previously reported:

	Three Months Ended March 31, 2002	
	As Reported	As Adjusted
Income (loss) before cumulative effect of change in accounting principle	$ 11,224	$ 11,224
Cumulative effect of change in accounting principle	-	(205,192)
Net income (loss)	$ 11,224	$ (193,968)
Basic earnings (loss) per common share:		
Income (loss) before cumulative effect of change in accounting principle	$ 0.63	$ 0.63
Cumulative effect of change in accounting principle	-	(11.52)
Net income (loss)	$ 0.63	$ (10.89)
Basic shares outstanding	17,814	17,814
Diluted earnings (loss) per common share:		
Income (loss) before cumulative effect of change in accounting principle	$ 0.61	$ 0.61
Cumulative effect of change in accounting principle	-	(10.52)
Net income (loss)	$ 0.61	$ (9.91)
Diluted shares outstanding (1)	19,499	19,499

(1) See Note 6 for calculation of diluted shares outstanding

The changes in the carrying amount of goodwill for the year ended December 31, 2002, are as follows (in thousands):

Balance at December 31, 2001	$ 962,467
Transitional impairment loss	(205,192)
Currency translation adjustment	29,487
Adjustments to goodwill	(11,779)
Balance at December 31, 2002	$ 774,983

Accrued Liabilities:

Accrued liabilities consisted of the following (in thousands):

	December 31,	
	2002	**2001**
Compensation and benefits	$ 78,296	$ 70,245
Legal and environmental	19,942	15,132
Facility closure and consolidation costs	14,036	6,170
Interest	12,826	11,293
Accrued income taxes	7,159	9,880
Other	61,714	54,103
	$ 193,973	$ 166,823

Other Noncurrent Liabilities:

Other noncurrent liabilities consisted of the following (in thousands):

	December 31,	
	2002	**2001**
Pension and post-retirement benefits	$ 50,277	$ 37,509
Facility closure and consolidation costs	30,158	20,275
Legal and environmental	15,124	22,275
Other	38,642	37,418
	$ 134,201	$ 117,477

Revenue Recognition and Sales Commitments:

Dura recognizes revenue as its products are shipped to its customers. Dura enters into agreements with its customers at the beginning of a given vehicle's life to produce products. Once such agreements are entered into by Dura, fulfillment of the customers' purchasing requirements is the obligation of Dura for the entire production life of the vehicle, with terms of up to seven years, and Dura has no provisions to terminate such contracts. In certain instances, Dura may be committed under existing agreements to supply product to its customers at selling prices which are not sufficient to cover the direct cost to produce such product. In such situations, Dura records a liability for the estimated amount of such future losses. Such losses are recognized at the time that the loss is probable and reasonably estimable and is recorded at the minimum amount necessary to fulfill Dura's obligations to its customers.

Income Taxes:

Dura accounts for income taxes following the provisions of SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using currently enacted tax rates.

Comprehensive Income (Loss):

Dura follows the provisions of SFAS No. 130, "Reporting Comprehensive Income," which established standards for reporting and display of comprehensive income (loss) and its components. Comprehensive income (loss) reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. For Dura, comprehensive income (loss) represents net income adjusted for foreign currency translation adjustments, the deferred gain/loss on certain derivative instruments utilized to hedge Dura's interest and foreign exchange exposures, and additional minimum pension liability. In accordance with SFAS No. 130, Dura has chosen to disclose comprehensive income (loss) in the consolidated statements of stockholders' investment.

The components of accumulated other comprehensive income (loss) are as follows:

	December 31,		
	2002	2001	2000
Foreign currency translation adjustment	$ 1,166	$ (53,396)	$ (34,846)
Minimum pension liability	(13,501)	(6,120)	(1,952)
Derivative instruments	(733)	(336)	-
	$ (13,068)	$ (59,852)	$ (36,798)

Fair Value of Financial Instruments:

The carrying amount of cash and cash equivalents, accounts receivable, inventory, accounts payable, accrued liabilities and revolving credit facilities approximates fair value because of the short maturity of these instruments. The carrying amount of Dura's nonsubordinated long-term debt approximates fair value because of the variability of the interest cost associated with these instruments. The fair value of Dura's $350.0 million 8-5/8 percent Senior Notes, based on quoted market activity, approximated $351.8 million as of December 31, 2002. The fair value of Dura's $458.5 million and Euro 100.0 million 9 percent Subordinated Notes, based on quoted market activity, approximated $512.7 million as of December 31, 2002. The fair value of Dura's $55.3 million 7½ percent Preferred Securities, based on NASDAQ market quote activity, approximated $39.2 million as of December 31, 2002.

Dura uses forward exchange contracts to hedge its foreign currency exposure related to certain intercompany transactions. Dura designates these contracts at their inception as cash flow hedges. At December 31, 2002, Dura had outstanding contracts to purchase Euro 15.0 million (approximately $15.1 million) and Pounds 2.0 million (approximately $3.1 million). The estimated aggregate fair values of these foreign exchange contracts, based upon market quotes, were approximately $15.7 million and $3.2 million, respectively. The net unrealized losses of approximately $0.6 million and $0.1 million, respectively, are included in accumulated other comprehensive loss as of December 31, 2002.

In April 2002, in connection with the offering of the Senior Notes, Dura entered into a fixed-to-floating interest rate swap (notional amount of $325.0 million) with various financial institutions. At their inception Dura designated these contracts as a fair value hedge. At December 31, 2002, Dura's swap contract outstanding had a fair value based upon market quotes of approximately $30.5 million and this amount is included in the consolidated balance sheet as of December 31, 2002.

The counterparties to the above agreements are major financial institutions. Dura does not enter into or hold derivatives for trading or speculative purposes.

New Accounting Pronouncements:

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," which amends SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirement of SFAS No.

123 to require more prominent and more frequent disclosures in financial statements of the effects of stock-based compensation. The transition guidance and annual disclosure provisions of SFAS No. 148 are effective for fiscal years ending after December 15, 2002. The interim disclosure provisions are effective for financial reports containing condensed financial statements for interim periods beginning after December 15, 2002. The adoption of the new disclosure provisions of SFAS No. 148 did not have a material impact on Dura's consolidated balance sheet or results of operations, with the annual required disclosures included herein (see Note 6).

In November 2002, the FASB issued FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". FIN 45 clarifies the requirements for a guarantor's accounting for and disclosure of certain guarantees issued and outstanding. The initial recognition and initial measurement provisions of FIN 45 are applicable to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of FIN 45 is not expected to have a significant impact on Dura's consolidated balance sheet or results of operations; however, Dura adopted the disclosure requirement provisions of this pronouncement during 2002, with required disclosures included herein (See below).

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The principal difference between SFAS No. 146 and EITF 94-3 relates to SFAS No. 146's requirements for the timing of recognizing a liability for a cost associated with an exit or disposal activity. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF 94-3 a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146 must be applied prospectively for exit or disposal activities that are initiated after December 31, 2002. SFAS No. 146 also increases the disclosure requirements associated with exit or disposal activities. While the adoption will not impact Dura's current financial position or results of operations, should Dura initiate further exit or disposal activities in the future, Dura would be required to follow this new pronouncement.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This statement eliminates the automatic classification of gain or loss on extinguishment of debt as an extraordinary item of income and requires that such gain or loss be evaluated for extraordinary classification under the criteria of APB Opinion No. 30 "Reporting Results of Operations." This statement also requires sales-leaseback accounting for certain lease modifications that have economic effects that are similar to sales-leaseback transactions, and makes various other technical corrections to existing pronouncements. This statement will be effective for Dura beginning January 1, 2003. The adoption of this statement will result in a reclassification within results of operations related to the write-off of debt issuance costs during the second quarter of 2002 in connection with certain financing transactions (see Note 8).

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which was effective for fiscal years beginning after December 15, 2001. The provisions of this statement provide a single accounting model for impairment and disposal of long-lived assets. Dura adopted SFAS No. 144 on January 1, 2002. The adoption of this pronouncement did not have a material impact on results of continuing operations or financial position (see Note 3).

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires recognition of a liability for any legal obligations associated with the retirement of a tangible long-lived asset. Any such liability will be recorded at fair value when incurred and generally results in an increase to the carrying amount of the related long-lived asset. This statement will be effective for Dura beginning January 1, 2003. The adoption of this statement is not anticipated to have a material effect on results of operations or financial position.

Common Stock:

The holder of each share of Class A common stock outstanding is entitled to one vote per share, and the holder of each share of Class B common stock outstanding is entitled to ten votes per share.

Stock Options:

Dura accounts for stock options under the provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees," under which no compensation expense is recognized when the stock options are granted at market value. The pro forma effects, had Dura followed the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," are included in Note 6.

Use of Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The ultimate results could differ from those estimates.

Foreign Currency Translation:

Assets and liabilities of Dura's foreign operations are translated using the year-end rates of exchange. Results of operations are translated using the average rates prevailing throughout the period. Translation gains or losses are included in accumulated other comprehensive income (loss), a separate component of stockholders' investment.

Legal, Environmental and Warranty:

Dura is subject to various legal actions and claims incidental to its business, including those arising out of alleged defects, product warranties, employment-related matters and environmental matters. For example, Dura faces an inherent business risk of exposure to product liability and warranty claims in the event that its products fail to perform as expected and such failure of our products results, or is alleged to result, in bodily injury and/or property damage. OEMs are increasingly requiring their outside suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which Dura supplies products to an OEM, an OEM may hold Dura responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties when the product supplied did not perform as represented. Dura's policy is to record reserves for legal, environmental and customer warranty costs on a case by case basis at the time it believes such amount is probable and estimable and to review these determinations on a quarterly basis, or more frequently, as additional information is obtained. Dura has established reserves for issues that are probable and estimable in amounts management believes are adequate to cover reasonable adverse judgments. Dura determines its warranty reserve based on identified claims and the estimated ultimate projected claim cost. The final amounts determined to be due related to these matters could differ significantly from recorded estimates. Dura carries insurance for certain legal matters including product liability; however, it no longer carries insurance for warranty matters, as the cost and availability for such insurance, in the opinion of management, is cost prohibitive or not available. The following presents a summary of Dura's legal, environmental and warranty position (in thousands):

Beginning balance	$ 37,407
Reductions for payments made	(10,047)
Additional reserves recorded	5,511
Changes in pre-existing reserves	2,195
Ending balance	$ 35,066

3. Discontinued Operations:

During the fourth quarter of 2002, Dura adopted a plan to divest its Mechanical Assemblies Europe business, as it believes this business will not assist Dura in reaching its strategic growth and profitability targets for the future. The Mechanical Assemblies Europe business generated annualized revenues of approximately $111.9 million from facilities in Grenoble and Boynes, France; and Woodley, Nottingham and Stourport, UK.

The Mechanical Assemblies divestiture will be treated as a discontinued operation under SFAS No. 144. The results of operations of the Mechanical Assemblies Europe business and the related charges have been classified as discontinued operations in the consolidated statements of income, and prior periods have been recast to present Mechanical Assemblies Europe as a discontinued operation in all periods presented.

In conjunction with that decision, Dura recorded a loss from the European Mechanical Assemblies business of approximately $107.4 million in the fourth quarter of 2002, of which approximately $15.0 million will be paid for in cash. Including the previously disclosed and reported divestiture of the Steering Gear product line in the second quarter of 2002 and the European pedal product line in the third quarter of 2002, the total loss from discontinued operations for the year ended December 31, 2002 was $126.6 million, on which no tax benefit was recorded. These losses relate primarily to asset write-downs of $53.3 million, contractual commitments and transaction related costs of $15.0 million, and year-to-date operating losses of $58.3 million. The operating losses include a pension settlement charge of $18.1 million and facility consolidation costs related to the Steering and Pedal product line disposals completed in second and third quarter of 2002 of $19.2 million and $2.4 million, respectively.

At December 31, 2002, Dura had reserves related to the planned divestiture of the European Mechanical Assemblies business of $17.7 million, including estimated severance, facility closure and other contractual commitments. The severance payments are anticipated to be complete by December 31, 2003. The contractual commitments related to the facilities, principally lease costs, are anticipated to be completed in 2021.

Net assets of discontinued operations include the following (in thousands):

	December 31,	
	2002	2001
Assets:		
Cash, accounts receivable and inventories	$ 31,457	$ 41,143
Notes receivable, prepaids and other assets	584	6,673
Net property and equipment	-	39,545
Other noncurrent assets	-	33,875
Liabilities:		
Accounts payable	21,808	24,477
Accrued liabilities	4,123	10,504
Other current liabilities	-	405
Other liabilities	-	6,355
Net assets of discontinued operations	6,110	79,495
Less - Current portion (asset)/liability	(6,110)	(12,430)
Noncurrent portion (asset)/liability	$ -	$ 67,065

Summary operating results of the discontinued operations are as follows (in thousands):

	December 31,		
	2002	2001	2000
Revenues	$ 111,875	$ 143,668	$ 167,668
Cost of sales	143,210	149,739	153,030
Gross profit (loss)	(31,335)	(6,071)	14,638
Selling, general and administrative expenses	4,802	5,179	11,593
Facility consolidation and other charges	21,589	266	413
Amortization expense	283	325	424
Operating income (loss)	(58,009)	(11,841)	2,208
Interest expense, net	250	303	504
Provision (benefit) for income taxes	-	(2,139)	667
Net income (loss) from discontinued operations	$ (58,259)	$ (10,005)	$ 1,037

Facility consolidation and other charges included severance related costs of $0.6 million, asset impairment of $20.7 million, and facility closure costs of $0.3 million for the year ended December 31, 2002 related to the previously discussed Steering Gear and pedal product lines. In addition to the operating results above, Dura also recorded a $68.3 million loss on the disposal of discontinued operations in 2002.

4. Acquisitions:

2000 Acquisitions:

In January 2000, Dura purchased the Jack Division of Ausco. Ausco produces automotive jacks primarily for North American OEMs. Additionally, in January 2000, Dura increased its ownership interest in Thixotech. With this additional investment, Dura owned and controlled a majority interest in Thixotech and in 2000 began consolidating Thixotech into Dura's financial statements. Thixotech is a producer of magnesium die castings for the North American automotive and consumer product markets. In October 2001, Dura divested the Thixotech business (see Note 4). In January and June 2000, Dura increased its ownership interest in two previous majority owned subsidiaries by acquiring the remaining outstanding interests in Pollone and Bowden. Pollone produces cables, latches, shifters, rear window frames and pedal boxes primarily for the South American automotive market and Bowden produces automotive cables for European OEMs. In November 2000, Dura acquired Reiche, a manufacturer of steering columns for European and North American OEMs.

The Ausco, Thixotech, Pollone, Bowden and Reiche acquisitions have been accounted for using the purchase method of accounting and, accordingly, the assets acquired and liabilities assumed have been recorded at their fair values as of the dates of their respective acquisition. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed has been recorded as goodwill. The final allocations of purchase price made by Dura in 2001 were not materially different than the preliminary estimates. The operating results of Ausco and Reiche have been included in the consolidated financial statements of Dura since their respective dates of acquisition. The aggregate purchase price for the 2000 acquisitions was $36.3 million, with funds provided by borrowings under Dura's Credit Agreement (see Note 8). The pro forma effects of these acquisitions would not have materially affected Dura's results of operations.

Acquisition Integrations:

Dura has developed and implemented the majority of the facility consolidation plans designed to integrate the operations of past acquisitions. As of December 31, 2002, purchase liabilities recorded in conjunction with the acquisitions included approximately $16.1 million for costs associated with the shutdown and consolidation of certain acquired facilities and $3.6 million for severance and other related costs. Costs incurred and charged to these reserves amounted to $3.0 million related to acquired facilities and $1.1 million in severance and other related costs during the year ended December 31, 2002. Adjustments to these reserves during 2002 related to certain of the acquisitions as discussed above amounted to a net decrease of $0.5 million related to acquired facilities and a net reduction of $0.2 million in severance. The remaining employee terminations and facility closures were completed by December 31, 2002 except for contractual obligations, consisting principally of facility lease payments, that will continue through 2005.

5. Facility Consolidation, Product Recall and Other Charges:

Business Exits:

In November 2001, Dura entered into a definitive agreement to divest its Plastic Products business for total proceeds of approximately $41.0 million. The transaction closed on January 28, 2002. The Plastic Products business designed, engineered, and manufactured plastic components for a wide variety of automotive vehicle applications, focusing on the metal to plastic conversion and dual plastic applications markets. This business employed approximately 750 people in three facilities located in Mishawaka, Indiana; Bowling Green, Kentucky; and Jonesville, Michigan and generated approximately $80.0 million in annual revenue. Two members of Dura’s Board of Directors are members of management of an investor group which is general partner of the controlling shareholder of the acquiring company. Dura recorded a noncash charge of approximately $7.4 million in the fourth quarter of 2001 for the estimated loss upon divestment. In the second quarter of 2002, Dura recorded an additional $1.9 million charge related to final negotiation of purchase price adjustments. The effect of this divestiture on future operating results will not be significant.

In October 2001, Dura successfully completed the sale of its Thixotech business located in Canada for total proceeds of approximately $4.1 million. Thixotech generated approximately $10.0 million of revenue on an annualized basis, and is a manufacturer of magnesium injection molded products for the electronics, communications, power tools and automotive industries. Dura recorded a noncash charge related to this transaction of approximately $5.2 million in the fourth quarter of 2001. The effect of this divestiture on future operating results will not be significant.

In August 2001, Dura divested its Australian operations resulting in a charge of approximately $7.5 million in the third quarter of 2001. Approximately $2.0 million of this charge was cash related. The Australian operations generated approximately $10.0 million of revenue on an annualized basis and produced parking brakes, jacks, pedal assemblies, hinges and latches for the automotive industry. The effect of this divestiture on future operating results will not be significant.

Facility Consolidation:

During the fourth quarter of 2002, Dura continued to evaluate its worldwide capacity utilization and opportunities for cost reductions. As a result, Dura announced a plan to close its Livonia, Michigan facility and its Cauvigny, France facility. These actions resulted in a fourth quarter 2002 restructuring charge of $12.9 million. The charge related to the closure of the Livonia facility included severance related costs of $0.7 million, asset impairment of $3.2 million and other facility closure costs of $0.1 million. The charge related to the closure of the Cauvigny facility included severance related costs of $7.7 million and asset impairment of $1.2 million. Additionally, Dura made an adjustment to reverse previously recorded facility consolidation reserves of $0.3 million during the fourth quarter of 2002.

Costs incurred and charged to the reserve related to the closure of these two facilities as of December 31, 2002 amounted to $0.2 million in severance related costs.

The decision to close the Livonia facility resulted in a reduction in the work force of approximately 20 salaried and 127 hourly employees, none of which have been let go as of December 31, 2002. These restructuring actions are anticipated to be complete by December 31, 2003.

The decision to close the Cauvigny facility will result in a reduction in the work force of approximately 208 salaried employees, none of which have been let go as of December 31, 2002. These restructuring actions are anticipated to be complete by December 31, 2003.

During the third quarter of 2002, in order to improve capacity utilization, Dura announced a plan to combine its Benton Harbor, Michigan and Butler, Indiana facilities in North America. This action resulted in a third quarter 2002 restructuring charge of $1.1 million, including severance of $0.6 million and facility closure costs of $0.5 million. Additionally, Dura expensed as incurred certain equipment relocation costs of $0.1 million. Costs incurred and charged to the reserve as of December 31, 2002 amounted to $0.2 million in severance related costs. The decision to close the Benton Harbor facility resulted in a reduction in the work force of approximately 12 salaried and 44 hourly employees, all of which have been let go as of December 31, 2002. These restructuring actions are anticipated to be complete by September 30, 2003. During the fourth quarter of 2002, Dura expensed as incurred certain equipment relocation costs of $0.3 million and other costs of $0.4 million related to the closure of the Benton Harbor facility. The effect of the costs expensed as incurred are reflected as facility consolidation and other charges in the 2002 consolidated statements of operations.

Throughout 2000 and 2001 Dura has evaluated manufacturing capacity issues and opportunities for cost reduction given the reduced demand in the North America automotive and recreation vehicle markets and the available capacity within Dura’s operations. As a result, beginning in the fourth quarter of 2000, Dura began to implement several actions including discontinuing operations in two North American facilities, combining the Driver Control and Engineered Products divisions into one (Control Systems), and reducing and consolidating certain support activities to achieve an appropriate level of support personnel relative to remaining operations and future business requirements. These actions resulted in a fourth quarter 2000 restructuring charge of $6.8 million, including severance related payments of $6.2 million and facility closure costs of approximately $0.6 million. Additionally in 2000, Dura expensed as incurred equipment relocation costs of $0.8 million. In continuation of the actions taken in 2000, Dura recorded $2.4 million of additional restructuring charges in the first quarter and $2.0 million in the fourth quarter of 2001 relating to employee severance. Dura also expensed as incurred approximately $0.2 million of equipment relocation costs incurred during the first quarter of 2001. The effect of the costs expensed as incurred are reflected as facility consolidation and other charges in the 2001 consolidated statements of operations.

Costs incurred and charged to the reserves as of December 31, 2002 amounted to $11.0 million in severance related costs and $1.0 million in facility closure costs. During 2001 and 2002, additional adjustments were made of $0.1 million and $0.3 million, respectively, to decrease the reserve for employee severance as the actual costs incurred were less than originally estimated.

The decision to exit the two facilities resulted in a reduction in the work force of approximately 52 salaried and 408 hourly employees, all of which have been let go as of December 31, 2002. Additionally, the decision to consolidate two divisions into one and to reduce support personnel to a level consistent with future business requirements resulted in a reduction of approximately 217 salaried employees, all of which have been let go as of December 31, 2002.

Product Recall:

In the second quarter of 2000, Dura settled two product recall matters through a cost-sharing agreement with a significant customer. As a result of this agreement, Dura recorded a one-time pretax charge to operations of $16.0 million to cover amounts not previously reserved. These recalls were announced in the first half of 1999 and involved concerns associated with a previously acquired entity’s manufacture of speed control cables and a secondary hood latch.

6. Stockholders' Investment:

Earnings Per Share:

Basic earnings (loss) per share was computed by dividing net income (loss) by the weighted average number of Class A and Class B common shares outstanding during the year. In accordance with SFAS No. 128, an entity that reports a discontinued operation, an extraordinary item, or the cumulative effect of an accounting change in a period shall use income from continuing operations, adjusted for preferred dividends, as the control number in determining whether those potential common shares are dilutive or antidilutive. As a result, diluted earnings (loss) per share, and all other diluted per share amounts presented, were computed utilizing the same number of potential common shares used in computing the diluted per share amount for income from continuing operations, regardless if those amounts were antidilutive to their respective basic per share amounts. Diluted earnings per share for 2001 includes the effects of outstanding stock options and warrants using the treasury stock method. Potential common shares of 1,289,000 related to Dura’s Preferred Securities were excluded from the computation of diluted earnings (loss) per share for 2001, as inclusion of these shares would have been antidilutive. Diluted earnings per share for 2002 and 2000 includes (i) the effects of outstanding stock options and warrants using the treasury stock method, and (ii) the conversion of the Preferred Securities as follows (in thousands, except per share amounts):

	Years Ended December 31, 2002	2001	2000
Net income (loss)	$(288,671)	$11,219	$41,777
Dividends on mandatorily redeemable convertible preferred securities, net of tax - diluted	2,486	-	2,445
Net income (loss) applicable to common stockholders - diluted	$(286,185)	$11,219	$44,222
Weighted average number of Class A common shares outstanding	15,848	14,536	14,150
Weighted average number of Class B common shares outstanding	2,214	3,221	3,318
	18,062	17,757	17,468
Dilutive effect of outstanding stock options after application of the treasury stock method	408	246	14
Dilutive effect of warrants	-	-	76
Dilutive effect of mandatorily redeemable convertible preferred securities, assuming conversion	1,289	-	1,289
Diluted shares outstanding	19,759	18,003	18,847
Basic earnings (loss) per share	$ (15.98)	$ 0.63	$ 2.39
Diluted earnings (loss) per share	$ (14.48)	$ 0.62	$ 2.35

The 1998 Stock Incentive Plan:

Certain individuals who are full-time, salaried employees, or who are directors or consultants of Dura ("Participants") are eligible to participate in the 1998 Stock Incentive Plan (the "1998 Plan"). A committee of the Board of Directors selects the Participants and determines the terms and conditions of granted options, which determinations are approved by the Board of Directors. The 1998 Plan provides for the issuance of options at exercise prices equal to the stock market price on the date of grant to Employee Participants covering up to 1,000,000 shares of Class A common stock of Dura plus any shares carried over from the 1996 Key Employee Stock Option Plan (the "1996 Plan") plus an annual increase, as defined in the 1998 Plan, subject to certain adjustments reflecting changes in Dura's capitalization. Such option grants vest between two and four years from the date of grant. Options available for future grants to purchase shares of Dura's Class A common stock was 616,860 at December 31, 2002. Information regarding options outstanding from the 1996 Plan and the 1998 Plan is as follows:

	Shares Under Option	Exercise Price	Weighted Average Exercise Price	Weighted Average Fair Value of Options Granted	Exercisable At End of Year
Outstanding, December 31, 1999	1,956,258	$ 14.50–38.63	$ 23.01		527,134
Granted	55,000	12.81–14.44	13.66	$ 6.09	
Exercised	-	-	-		
Forfeited	(371,570)	15.31–38.63	26.48		
Outstanding, December 31, 2000	1,639,688	12.81–38.63	21.81		489,196
Granted	2,013,250	7.50–9.15	7.97	$ 5.94	
Exercised	(1,200)	15.47	15.47		
Forfeited	(299,800)	7.50–38.63	18.62		
Outstanding, December 31, 2001	3,351,938	7.50–38.63	13.87		999,863
Granted	553,600	13.50	13.50	$13.50	
Exercised	(338,765)	1.45–17.27	10.13		
Forfeited	(338,695)	7.50–38.63	10.97		
Outstanding, December 31, 2002	3,228,078	$ 7.50–38.63	$ 14.62		1,362,115

The following table summarizes information about stock options outstanding at December 31, 2002:

	Options Outstanding			Options Exercisable	
Range of Exercisable Options	Number Outstanding at 12/31/02	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 12/31/02	Weighted-Average Exercise Price
$ 7.50	977,560	8.1	$ 7.50	127,122	$ 7.50
9.15	464,900	9.0	9.15	116,225	9.15
13.50 to 17.27	1,126,633	7.9	15.07	461,033	16.45
20.75 to 29.25	608,985	5.7	27.45	607,735	27.44
38.63	50,000	5.3	38.63	50,000	38.63

The weighted average exercise price of options exercisable at the end of year was $20.74 per share at December 31, 2002, $23.13 at December 31, 2001, and $22.87 at December 31, 2000. The weighted average remaining contractual life of outstanding options was 7.7 years at December 31, 2002, 7.2 years at December 31, 2001, and 8.3 years at December 31, 2000.

Independent Director Stock Option Plan:

The Dura Automotive Systems, Inc. Independent Director Stock Option Plan (the "Director Option Plan") provides for the issuance of options to Independent Directors, as defined in the Director Option Plan, to acquire up to 100,000 shares of Dura's Class A common stock, subject to certain adjustments reflecting changes in Dura's capitalization. The option exercise price must be at least 100 percent of the market value of the Class A common stock at the time the option is issued. No option is exercisable prior to the expiration of six months from the date of grant. As of December 31, 2002, Dura had granted options under the Director Option Plan to acquire 21,000 shares of Dura's Class A common stock at an exercise price of $24.50 to $25.50 per share. As of December 31, 2002, 21,000 of these options were exercisable. No granted options have been exercised.

Employee Stock Discount Purchase Plan:

The Dura Automotive Systems, Inc. Employee Stock Discount Purchase Plan (the "Employee Stock Purchase Plan") provides for the sale of up to 500,000 shares of Dura's Class A common stock at discounted purchase prices, subject to certain limitations. The cost per share under this plan is 85 percent of the market value of Dura's Class A common stock at the date of purchase, as defined. Pursuant to this plan, 114,482, 159,165, and 63,063 shares of Class A common stock were issued to employees during the years ended December 31, 2002, 2001 and 2000, respectively. The weighted average fair value of shares purchased in 2002, 2001 and 2000 was $9.05, $5.94, and $13.73, respectively.

Deferred Income Stock Plan:

During 1999, Dura established the Deferred Income Leadership Stock Purchase Plan, which allows certain key employees to defer receipt of all or a portion of their annual cash bonus. Dura makes a matching contribution of one-third of the employee's deferral. Dura's matching contribution vests on the first day of the third plan year following the date of the employee's deferral. In accordance with the terms of the plan, Dura has elected to place the employee's deferral and Dura's matching contribution in a "Rabbi" trust, which invests solely in Dura's Class A common stock. Distributions to the employee from the trust can only be made in the form of Dura's Class A common stock. During 2002, 20,570 shares were distributed to employees leaving 149,195 units remaining to be distributed. During 2001 and 2000, 17,422 and 16,694 shares, respectively, were distributed to employees. This trust arrangement offers the employee some assurance for ultimate payment of benefits without causing constructive receipt for income tax purposes. The assets of the trust remain subject to the creditors of Dura and are not the property of the employees; therefore, they are included as a separate component of stockholders' investment under the caption Treasury Stock.

Stock-Based Compensation Plans:

Dura has elected to continue accounting for the above plans under APB Opinion No. 25, under which no compensation cost has been recognized during the three years ended December 31, 2002, as all options are granted at market value. Had compensation cost for these plans been determined as required under SFAS No. 123, Dura's pro forma net income (loss) and pro forma earnings (loss) per share would have been as follows (in thousands, except per share amounts):

	Years Ended December 31,		
	2002	2001	2000
Net income (loss)			
As Reported - Basic	$ (288,671)	$ 11,219	$ 41,777
Pro Forma	$ (292,293)	$ 7,639	$ 39,741
As Reported - Diluted	$ (286,185)	$ 11,219	$ 44,222
Pro Forma	$ (289,807)	$ 7,639	$ 42,186
Basic earnings (loss) per share			
As Reported	$ (15.98)	$ 0.63	$ 2.39
Pro Forma	$ (16.18)	$ 0.43	$ 2.28
Diluted earnings (loss) per share			
As Reported	$ (14.48)	$ 0.62	$ 2.35
Pro Forma	$ (14.67)	$ 0.42	$ 2.24

The effect of the stock issued under the Employee Stock Purchase Plan was not material for 2002, 2001 and 2000. The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rates of 3.1 percent in 2002, 5.4 percent to 5.6 percent in 2001, 5.7 percent in 2000; expected life of four years for 2002, 2001, and 2000; an average expected volatility of 81 percent in 2002, 64 percent in 2001, and 49 percent in 2000.

Dividends:

Dura has not declared or paid any cash dividends in the past. As discussed in Note 8, Dura's Credit Agreement restricts the amount of dividends Dura can declare or pay. As of December 31, 2002, under the terms of the Senior Notes, Subordinated Notes and most restrictive debt covenants of the Credit Agreement, Dura could not have paid any cash dividends.

7. Mandatorily Redeemable Convertible Trust Preferred Securities:

In March 1998, Dura Automotive Systems Capital Trust (the "Issuer"), a wholly owned statutory business trust of Dura, completed the offering of its Preferred Securities, resulting in net proceeds to Dura of approximately $52.6 million. The Preferred Securities are currently redeemable, in whole or part, and must be redeemed no later than March 31, 2028. The Preferred Securities are convertible at the option of the holder into Class A common stock of Dura at a rate of 0.5831 shares of Class A common stock for each Preferred Security, which is equivalent to a conversion price of $42-7/8 per share. The net proceeds of the offering were used to repay outstanding indebtedness. Dividends on the Preferred Securities, net of the related income tax benefit, are reflected as minority interest in the consolidated statements of operations.

No separate financial statements of the Issuer have been included herein. Dura does not consider that such financial statements would be material to holders of Preferred Securities because (i) all of the voting securities of the Issuer are owned, directly or indirectly, by Dura, a reporting company under the Exchange Act; (ii) the Issuer has no independent operations and exists for the sole purpose of issuing securities representing undivided beneficial interests in the assets of the Issuer and investing the proceeds thereof in 7½ percent convertible subordinated debentures due March 2028 issued by Dura; and (iii) the obligations of the Issuer under the Preferred Securities are fully and unconditionally guaranteed by Dura.

8. Debt:

Debt consisted of the following (in thousands):

	December 31, 2002	December 31, 2001
Credit Agreement:		
Tranche A, B and C term loans	$ 149,250	$ 454,306
Revolving credit facility	-	62,584
Senior notes	350,000	-
Subordinated notes	556,632	539,700
Senior notes - derivative instrument adjustment	30,523	-
Other	20,326	15,979
	1,106,731	1,072,569
Less - Current maturities	(7,154)	(60,442)
	$ 1,099,577	$ 1,012,127

Future maturities of long-term debt as of December 31, 2002 are as follows (in thousands):

2003	$ 7,154
2004	8,455
2005	3,590
2006	3,039
2007	2,699
Thereafter	1,081,794
	$ 1,106,731

In March 1999, Dura entered into its Credit Agreement. The Credit Agreement provides for revolving credit facilities of $400.0 million, a $275.0 million tranche A term loan, a $275.0 million tranche B term loan, and a $200.0 million interim term loan facility.

In April 2002, Dura completed the offering of its 8-5/8 percent Senior Notes, due April 2012. The interest on the Senior Notes is payable semiannually beginning October 15, 2002. Net proceeds from this offering of approximately $341.0 million were used to repay the outstanding balance of the $275.0 million tranche A term loan and a portion of the $275.0 million tranche B term loan. Dura then replaced the remaining tranche B term loan with a $150.0 million tranche C term loan. In addition, the revolving credit facility was decreased to $390.0 million. Borrowings under the tranche C term loan are based on LIBOR and are due and payable in December 2008 with no early repayment penalties. In conjunction with these transactions, Dura obtained an amendment to the Credit Agreement to allow for the Senior Notes offering and to further relax certain financial covenants. Dura also entered into a fixed-to-floating interest rate swap (notional amount of $325.0 million) with various financial institutions that more closely mirrors the cost of its bank debt (see Note 2). In connection with the repayment of borrowings outstanding under the Credit Agreement, Dura wrote off debt issuance costs of approximately $3.4 million, net of income taxes, during the second quarter of 2002. This write-off is reflected as an extraordinary item in the consolidated statement of operations for the year ended December 31, 2002. Included in interest expense, net, in the consolidated statements of operations is approximately $2.4 million, $2.3 million and $2.8 million of interest income earned on Dura's cash balances in the years ended December 31, 2002, 2001, and 2000, respectively.

As of December 31, 2002, rates on borrowings under the Credit Agreement are based on LIBOR and were 3.92 percent. The revolving credit facility is available until March 2005. The Credit Agreement contains various restrictive covenants which limit indebtedness, investments, rental obligations, and cash dividends. The Credit Agreement also requires Dura to maintain certain financial ratios including minimum liquidity and interest coverage. In conjunction with the decision to divest the Mechanical Assemblies Europe business, Dura obtained an amendment to its Credit Agreement and was in compliance with the covenants as of December 31, 2002. Borrowings under the Credit Agreement are collateralized by certain assets of Dura.

The Credit Agreement provides Dura with the ability to denominate a portion of its revolving credit borrowings in foreign currencies up to an amount equal to $150.0 million. As of December 31, 2002, Dura had no borrowings outstanding under the revolver.

Dura also utilizes uncommitted overdraft facilities to satisfy the short-term working capital requirements of its foreign subsidiaries. At December 31, 2002, Dura had $2.4 million outstanding under its overdraft facilities. At December 31, 2002, Dura had overdraft facilities available from banks of approximately $41.9 million.

9. Senior Subordinated Notes:

In April 1999, Dura completed the offering of its Subordinated Notes, due May 2009. The interest on the Subordinated Notes is payable semiannually. Net proceeds from this offering of approximately $394.7 million were used to repay the $200.0 million interim term loan, approximately $78.1 million to retire other indebtedness, and approximately $118.9 million was used for general corporate purposes. In June 2001, Dura completed a similar offering of 9 percent senior subordinated notes due May 2009 with a face amount of $158.5 million. The interest on these notes is also payable semiannually. Unamortized discount and debt issuance costs were approximately $8.5 million, yielding an imputed interest rate of 10 percent. Net proceeds of approximately $147.1 million were used to reduce the borrowings outstanding under the revolving credit facility. These notes are collateralized by guarantees of certain of Dura's subsidiaries.

10. Income Taxes:

The summary of income from continuing operations before provision for income taxes and minority interest consisted of the following (in thousands):

	Years Ended December 31,		
	2002	2001	2000
Domestic	$ 54,957	$ 27,662	$ 53,304
Foreign	33,756	6,720	19,785
Total	$ 88,713	$ 34,382	$ 73,089

The provision for income taxes consisted of the following (in thousands):

	Years Ended December 31,		
	2002	2001	2000
Currently payable -			
Domestic	$ 3,169	$ 232	$ 2,429
Foreign	17,547	(21,984)	22,373
Total	20,716	(21,752)	24,802
Deferred-			
Domestic	12,255	(1,145)	7,765
Foreign	6,732	33,486	(2,663)
Total	18,987	32,341	5,102
Total	$ 39,703	$ 10,589	$ 29,904

A reconciliation of the provision for income taxes at the statutory rates to the reported income tax provision is as follows (in thousands):

	Years Ended December 31,		
	2002	2001	2000
Federal provision at statutory rates	$ 31,050	$ 12,034	$ 25,581
Foreign net operating losses not benefited	14,064	7,681	5,544
Amortization of nondeductible goodwill	-	4,123	3,498
State taxes, net of federal income tax benefit	2,504	1,600	628
Capital losses	2,182	1,557	(2,045)
Write-off of foreign investments	-	(9,871)	-
Differences in income taxes on foreign earnings and losses	(4,293)	(3,033)	1,048
Extraterritorial income exclusion benefit	(2,355)	(2,106)	(2,752)
Research and experimentation credits	(4,050)	(1,640)	(1,250)
Other adjustments	601	244	(348)
Total	$ 39,703	$ 10,589	$ 29,904

A summary of deferred tax assets (liabilities) is as follows (in thousands):

	December 31,	
	2002	2001
Depreciation and property basis differences	$ (46,138)	$ (53,702)
Net operating loss carryforwards	40,999	34,564
Accrued compensation costs	16,308	15,335
Accrued interest	12,437	12,436
Postretirement benefit obligations	11,153	11,553
Legal and environmental costs	9,400	9,703
Research and development and other credit carryforwards	9,224	6,301
Facility closure and consolidation costs	7,301	8,309
Capital loss carryforward	4,717	5,678
Inventory valuation adjustments	3,612	3,114
Loss contracts	1,316	2,712
Bad debt allowance	448	673
Other	(1,425)	(3,278)
Valuation allowance	(41,147)	(23,485)
	$ 28,205	$ 29,913

Net current deferred tax assets of $27.5 million in 2002 and $29.6 million in 2001 are included in other current assets. Net noncurrent deferred tax assets of $0.7 million in 2002 and $0.3 million in 2001 are included in other assets. The valuation allowance has been provided primarily related to the uncertainty regarding the use of certain of Dura's net operating loss and capital loss carryforwards. In 2002 and 2001, the valuation allowance increased by $17.7 million and $18.4 million, respectively, to primarily reflect changes in the uncertainties related to specific net operating loss and capital loss carryforwards and was reduced by $5.7 million in 2001 as a result of the utilization of previously valued net operating loss carryforwards. No provision has been made for U.S. income taxes related to undistributed earnings of foreign subsidiaries that are intended to be permanently reinvested. As of December 31, 2002, Dura had approximately $119.3 million of net operating loss carryforwards, of which $86.3 million related to certain foreign subsidiaries. Utilization of these losses is subject to the tax laws of the applicable foreign jurisdiction and will be limited by the ability of such foreign subsidiary to generate taxable income. Of the total net operating loss carryforwards, $53.7 million have no expiration date and $65.6 million expire in 2006 through 2021. The utilization of Dura's research and development credit carryforwards expire in 2010 through 2022. Dura has been granted tax holidays in certain countries in which it operates. In 2002, Dura recognized a tax benefit of approximately $0.9 million in countries with tax holidays.

11. Segment Reporting:

Dura follows the provisions of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." Dura is organized in three divisions based on the products that each division offers to vehicle OEM customers. Each division reports their results of operations, submits budgets, and makes capital expenditure requests to the chief operating decision-making group. This group consists of the president and chief executive officer, the presidents of the three divisions, the chief financial officer, the vice-presidents of sales and human resources, and the director of developing markets. Dura's operating segments have been aggregated into one reportable segment, as Dura believes it meets the aggregation criteria of SFAS No. 131. Dura's divisions, each with a separate management team, are dedicated to providing vehicle components and systems to OEM customers. Each of the divisions demonstrate similar economic performance, mainly driven by vehicle production volumes of the customers for which they service. All of Dura's operations use similar manufacturing techniques and utilize common cost-saving tools. These techniques include continuous improvement programs designed to reduce Dura's overall cost base and to enable Dura to better handle OEM volume fluctuations.

The following table presents revenues and long-lived assets for each of the geographic areas in which Dura operates (in thousands):

	Years Ended December 31,					
	2002		2001		2000	
	Revenues	Long-Lived Assets	Revenues	Long-Lived Assets	Revenues	Long-Lived Assets
North America	$1,580,555	$ 221,069	$1,632,905	$ 272,300	$1,798,374	$ 304,594
Europe	755,520	212,298	671,811	193,026	630,021	172,764
Other foreign countries	24,248	11,112	28,989	11,646	37,021	11,214
	$2,360,323	$ 444,479	$2,333,705	$ 476,972	$2,465,416	$ 488,572

Revenues are attributed to geographic locations based on the location of product production.

The following is a summary composition by product category of Dura's revenues (in thousands):

	Years Ended December 31,		
	2002	2001	2000
Driver control systems	$ 790,907	$ 800,192	$ 828,483
Seating control systems	360,487	363,471	361,614
Glass systems	322,471	332,976	362,069
Engineered assemblies	189,955	225,637	253,433
Structural door modules	269,468	197,770	204,853
Exterior trim systems	157,487	172,656	164,094
Mobile products	157,208	131,005	152,514
Other	112,340	109,998	138,356
Revenues from external customers	$2,360,323	$2,333,705	$2,465,416

Customers that accounted for a significant portion of consolidated revenues for each of the three years in the period ended December 31, 2002 were as follows:

	Years Ended December 31,		
	2002	2001	2000
Ford Motor Company	26%	25%	26%
General Motors	14%	15%	14%
Lear Corporation	12%	13%	11%
DaimlerChrysler	10%	10%	10%

As of December 31, 2002 and 2001, receivables from these customers represented 42 percent and 51 percent of total accounts receivable, respectively.

12. Employee Benefit Plans:

Defined Benefit Plans and Post-retirement Benefits:

Dura sponsors 15 defined benefit plans that cover certain hourly and salaried employees in the United States and certain European countries. Dura's policy is to make annual contributions to the plans to fund the normal cost as required by local regulations. In addition, Dura has nine postretirement medical benefit plans for certain employee groups and has recorded a liability for its estimated obligation under these plans. The tables below are based on a September 30 measurement date.

The change in benefit obligation, plan assets and funded status for the plans related to continuing operations consisted of the following (in thousands):

	Pension Plans in Which Assets Exceed Accumulated Benefits		Pension Plans in Which Accumulated Benefits Exceed Assets		Postretirement Benefits Other than Pensions	
	2002	2001	2002	2001	2002	2001
Change in Benefit Obligation:						
Benefit obligation at beginning of year	$ 2,938	$ 10,679	$ 89,682	$ 81,582	$ 23,309	$ 23,321
Service cost	171	637	2,664	1,899	422	470
Interest cost	220	743	6,422	5,523	1,614	1,722
Amendments	397	52	445	1,749	-	(276)
Actuarial (gain) loss	417	(149)	7,432	(1,769)	60	1,243
Benefits paid	(188)	(775)	(8,294)	(6,092)	(2,570)	(2,987)
Exchange rate changes	-	(428)	2,550	(1,031)	40	(184)
Benefit obligation at end of year	$ 3,955	$ 10,759	$ 100,901	$ 81,861	$ 22,875	$ 23,309
Change in Plan Assets:						
Fair value of plan assets at beginning of year	$ 3,880	$ 11,936	$ 65,691	$ 63,263	$ -	$ -
Actual return on plan assets	489	423	(1,403)	(3,887)	-	-
Employer contributions	204	763	4,491	4,540	2,407	2,871
Benefits paid	(188)	(775)	(7,807)	(5,705)	(2,407)	(2,871)
Exchange rate changes	-	(476)	709	(511)	-	-
Fair value of plan assets at end of year	$ 4,385	$ 11,871	$ 61,681	$ 57,700	$ -	$ -
Change in Funded Status:						
Funded status	$ 430	$ 1,112	$ (39,220)	$ (24,161)	$ (22,875)	$ (23,309)
Unrecognized actuarial (gain) loss	(223)	328	26,881	11,930	58	(15)
Unrecognized prior service cost (benefit)	550	817	2,038	1,507	(48)	(57)
Adjustment to recognize minimum liability	-	-	(22,428)	(10,682)	-	-
Prepaid/(Accrued) benefit cost	$ 757	$ 2,257	$ (32,729)	$ (21,406)	$ (22,865)	$ (23,381)

The following weighted-average assumptions were used to account for the plans:

	Pension Benefits		Post-retirement Benefits Other than Pensions	
	2002	2001	2002	2001
Discount rate	5.00–6.75%	5.00–7.50%	6.75%	7.00–7.50%
Expected return on plan assets	5.00–8.00%	5.00–8.00%	N/A	N/A
Rate of compensation increase	2.50–4.00%	2.50–4.00%	N/A	N/A

For measurement purposes, Dura utilized a 9.25 percent annual rate of increase in the per capita cost of covered health care benefits for 2003. Dura assumes the rate will decrease to approximately 5.75 percent by 2008 and remain at that level thereafter.

The components of net periodic benefit costs are as follows (in thousands):

	Pension Benefits Years Ended December 31,			Postretirement Benefits Other than Pensions Years Ended December 31,		
	2002	2001	2000	2002	2001	2000
Service cost	$ 2,835	$ 2,536	$ 2,651	$ 422	$ 470	$ 451
Interest cost	6,642	6,266	6,268	1,613	1,722	1,654
Expected return on plan assets	(5,972)	(6,198)	(6,304)	-	-	-
Amendments/curtailments	891	267	2	-	(276)	-
Amortization of prior service cost	291	68	57	(20)	(7)	(46)
Recognized actuarial (gain) loss	150	(9)	5		-	-
Net periodic benefit cost	$ 4,837	$ 2,930	$ 2,679	$ 2,015	$ 1,909	$ 2,059

Assumed health care cost trend rates have a significant effect on the amounts reported for the post-retirement medical benefit plans. A one percentage-point change in assumed health care cost trend rates would have the following effects (in thousands):

	One Percentage-Point Increase	One Percentage-Point Decrease
Effect on total of service and interest cost components	$ 171	$ (136)
Effect on the post-retirement benefit obligation	1,684	(1,475)

Retirement Savings Plans:

Dura sponsors various employee retirement savings plans that allow qualified employees to provide for their retirement on a tax-deferred basis. In accordance with the terms of the retirement savings plans, Dura is required to match certain of the participants' contributions and/or provide employer contributions based on Dura's performance and other factors. Dura's contributions totaled $7.5 million, $5.8 million, and $9.5 million during fiscal 2002, 2001, and 2000.

13. Commitments and Contingencies:

Leases:

Dura leases office and manufacturing space and certain equipment under operating lease agreements which require it to pay maintenance, insurance, taxes and other expenses in addition to annual rentals. Of these lease commitments, $20.0 million are included in facility closure and consolidation costs reserves. Future annual rental commitments at December 31, 2002 under these operating leases are as follows (in thousands):

Year	Amount
2003	$ 20,161
2004	18,188
2005	15,408
2006	7,966
2007	3,383
Thereafter	19,124

Litigation:

Dura faces an inherent business risk of exposure to product liability and warranty claims in the event that its products fail to perform as expected and such failure of the products results, or is alleged to result, in bodily injury and/or property damage. Dura cannot assure that it will not experience any material warranty or product liability losses in the future or that it will not incur significant costs to defend such claims. In addition, if any of the products are or are alleged to be defective, Dura may be required to participate in a recall involving such products. Each OEM has its own policy regarding product recalls and other product liability actions relating to its suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, OEMs are increasingly looking to their suppliers for contribution when faced with product liability claims. A successful claim brought against Dura or a requirement to participate in a product recall may have a material adverse effect on Dura's business. OEMs are also increasingly requiring their outside suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which Dura supplies products to an OEM, an OEM may hold Dura responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties, when the product supplied did not perform as represented. Dura carries insurance for certain legal matters including product liability; however, Dura no longer carries insurance for warranty matters, as the cost and availability for such insurance, in the opinion of management, is cost prohibitive or not available. Dura has established reserves for issues that are probable and estimable in amounts management believes are adequate to cover reasonable adverse judgments not covered by insurance. Based upon the information available to management and discussions with legal counsel, it is the opinion of management that the ultimate outcome of the various legal actions and claims that are incidental to Dura's business will not have a material adverse impact on the consolidated financial position, results of operations, or cash flows of Dura; however, such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

14. Related Party Transactions:

Dura incurred fees to HCI, an affiliate of Dura, of approximately $2.5 million in 2002 in connection with the offering of the Senior Notes, the tranche C term loan, and other business development services. In 2001 Dura paid fees to HCI of $1.6 million in connection with an amendment to the Credit Agreement, the offering of the Subordinated Notes, the divestitures of Australia, Thixotech and Plastic Products businesses, and other business development services. In 2000 Dura paid fees to HCI of $2.1 million in connection with the Meritor acquisition and other business development services.

In November 2001, Dura entered into a definitive agreement to divest its Plastic Products business for total proceeds of approximately $41.0 million. The transaction closed on January 28, 2002. Two members of Dura's Board of Directors are members of management of an investor group, which is general partner of the controlling shareholder of the acquiring company.

In 1999, Dura and its former chairman, who is currently a member of Dura's Board of Directors, formed Automotive Aviation Partners, LLC ("AAP") to facilitate purchase of a corporate airplane. Dura owns 25 percent of AAP and Dura's former chairman owns 75 percent. Each party provided guarantees for their ownership percent in favor of the AAP's lending institution; Dura's guarantee is for $1.25 million. In 2001, Dura loaned approximately $1.2 million to AAP (the "Dura Loan") to enable it to make a principal and interest payment to the lending institution. The former chairman has personally guaranteed repayment of 75 percent of this loan. The Dura Loan was due and payable in October 2002. Subsequently, Dura and its former chairman established a repayment schedule with respect to the former chairman's guarantee, for which the initial payment has been received.

15. Quarterly Financial Data (Unaudited):

The following is a condensed summary of actual quarterly results of operations for 2002 and 2001 (in thousands, except per share amounts):

	Revenues	Gross Profit	Operating Income	Loss From Discontinued Operations	Net Income (Loss)	Basic Earnings (Loss) Per Share	Diluted Earnings (Loss) Per Share (d)	
2002:								
First……..	$583,858	$79,432	$ 46,093	$ (4,393)	$(193,968)	$ (10.89)	$ (9.91)	(a)
Second….	638,383	93,490	57,048	(26,030)	(7,990)	(0.45)	(0.37)	(b)
Third……	561,540	74,288	37,982	(8,701)	3,952	0.22	0.23	
Fourth…..	576,542	78,092	31,498	(87,457)	(90,665)	(4.97)	(4.97)	(c)
2001:								
First……..	$620,347	$90,750	$ 45,531	$ (977)	$ 9,218	$ 0.52	$ 0.52	
Second….	628,828	90,988	49,966	(3,372)	12,866	0.72	0.70	
Third……	536,955	71,774	23,977	(2,724)	(3,386)	(0.19)	(0.19)	
Fourth…..	547,575	66,608	15,422	(2,932)	(7,479)	(0.42)	(0.42)	

(a) Restated for adoption of SFAS No. 142

(b) Includes $3,422 for extraordinary loss on debt extinguishment, net of tax

(c) Includes loss on disposal of discontinued operations of $68,322

(d) See Note 6 for discussion on the computation of diluted shares outstanding

The sum of the per share amounts for the quarters does not equal the total for the year due to the application of the treasury stock method.

16. Consolidating Guarantor and Non-Guarantor Financial Information:

The following consolidating financial information presents balance sheets, statements of operations and cash flow information related to Dura's business. Each Guarantor, as defined, is a direct or indirect wholly owned subsidiary of Dura and has fully and unconditionally guaranteed the 9 percent senior subordinated notes issued by Dura Operating Corp., on a joint and several basis. Separate financial statements and other disclosures concerning the Guarantors have not been presented because management believes that such information is not material to investors.

Dura Automotive Systems, Inc.

Consolidating Balance Sheets as of December 31, 2002

	Dura Operating Corp.	Guarantor Companies	Non-Guarantor Companies	Eliminations	Consolidated
			(Amounts in thousands)		
Assets					
Current assets:					
Cash and cash equivalents	$ 79,678	$ 511	$ 63,048	$ -	$ 143,237
Accounts receivable, net	18,155	65,038	162,422	-	245,615
Inventories	12,378	37,705	64,490	-	114,573
Current portion of derivative instruments	15,825	-	-	-	15,825
Other current assets	31,335	19,579	52,961	-	103,875
Current assets of discontinued operations	-	-	32,041	-	32,041
Due from affiliates	138,066	43,052	3,870	(184,988)	-
Total current assets	295,437	165,885	378,832	(184,988)	655,166
Property, plant and equipment, net	62,024	122,827	259,628	-	444,479
Investment in subsidiaries	839,678	22,501	70,925	(933,104)	-
Notes receivable from affiliates	251,329	516,734	42,961	(811,024)	-
Goodwill, net	421,835	81,332	271,816	-	774,983
Noncurrent portion of derivative instruments	14,698	-	-	-	14,698
Other assets, net	53,343	(3,903)	(1,833)	-	47,607
	$ 1,938,344	$ 905,376	$ 1,022,329	$ (1,929,116)	$ 1,936,933
Liabilities and Stockholders' Investment					
Current liabilities:					
Accounts payable	$ 37,511	$ 65,413	$ 113,121	$ -	$ 216,045
Accrued liabilities	59,473	24,712	109,788	-	193,973
Current maturities of long-term debt	1,500	84	5,570	-	7,154
Current liabilities of discontinued operations	-	-	25,931	-	25,931
Due to affiliates	46,495	107,641	30,852	(184,988)	-
Total current liabilities	144,979	197,850	285,262	(184,988)	443,103
Long-term debt, net of current maturities	147,760	39	14,623	-	162,422
Senior notes	350,000	-	-	-	350,000
Subordinated notes	556,632	-	-	-	556,632
Senior notes - derivative instrument adjustment	30,523	-	-	-	30,523
Other noncurrent liabilities	64,119	12,939	57,143	-	134,201
Notes payable to affiliates	384,020	175,109	251,895	(811,024)	-
Total liabilities	1,678,033	385,937	608,923	(996,012)	1,676,881
Mandatorily redeemable convertible trust preferred securities	55,250	-	-	-	55,250
Stockholders' investment	205,061	519,439	413,406	(933,104)	204,802
	$ 1,938,344	$ 905,376	$ 1,022,329	$ (1,929,116)	$ 1,936,933

Dura Automotive Systems, Inc.

Consolidating Statements of Operations for the Year Ended Dec. 31, 2002

	Dura Operating Corp.	Guarantor Companies	Non-Guarantor Companies	Eliminations	Consolidated
			(Amounts in thousands)		
Revenues	$ 369,291	$ 1,044,838	$ 998,910	$ (52,716)	$ 2,360,323
Cost of sales	331,695	863,924	892,118	(52,716)	2,035,021
Gross profit	37,596	180,914	106,792	-	325,302
Selling, general and administrative expenses	55,205	26,409	53,957	-	135,571
Facility consolidation, product recall and other charges	5,855	1,921	8,345	-	16,121
Amortization expense	831	6	152	-	989
Operating income	(24,295)	152,578	44,338	-	172,621
Interest expense, net	74,393	(99)	9,614	-	83,908
Income before provision for income taxes and minority interest	(98,688)	152,677	34,724	-	88,713
Provision for income taxes	(42,236)	66,099	15,840	-	39,703
Equity in (earnings) losses of affiliates, net	230,079	-	(3,733)	(226,346)	-
Minority interest - dividends on trust preferred securities, net	2,486	-	-	-	2,486
Dividends (to)/from affiliates	(3,768)	-	-	3,768	-
Income from continuing operations	(285,249)	86,578	22,617	222,578	46,524
Income (loss) from discontinued operations	-	-	(126,581)	-	(126,581)
Income (loss) before extraordinary item and accounting change	(285,249)	86,578	(103,964)	222,578	(80,057)
Extraordinary item - loss on early extinguishment of debt, net	(3,422)	-	-	-	(3,422)
Cumulative effect of change in accounting	-	-	(205,192)	-	(205,192)
Net income (loss)	$ (288,671)	$ 86,578	$ (309,156)	$ 222,578	$ (288,671)

Dura Automotive Systems, Inc.

Consolidating Statements of Cash Flows for the Year Ended Dec. 31, 2002

	Dura Operating Corp.	Guarantor Companies	Non-Guarantor Companies	Eliminations	Consolidated
	(Amounts in thousands)				
OPERATING ACTIVITIES:					
Income (loss) from continuing operations	$(285,249)	$ 86,578	$ 22,617	$ 222,578	$ 46,524
Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used in) operating activities:					
Depreciation and amortization	12,582	22,145	34,594	-	69,321
Deferred income tax provision	11,097	(1,326)	9,216	-	18,987
Equity in losses (earnings) of affiliates and minority interest	230,079	-	(3,733)	(226,346)	-
Changes in other operating items	212,835	30,010	(173,437)	-	69,408
Net cash provided by (used in) operating activities	181,344	137,407	(110,743)	(3,768)	204,240
INVESTING ACTIVITIES:					
Capital expenditures, net	(7,081)	(12,921)	(34,310)	-	(54,312)
Proceeds from disposition of business	30,980	-	-	-	30,980
Net cash used in investing activities	23,899	(12,921)	(34,310)	-	(23,332)
FINANCING ACTIVITIES:					
Repayments of revolving credit facilities	(59,267)	-	(3,057)	-	(62,324)
Long-term borrowings	151,084	-	66,274	-	217,358
Repayments of long-term borrowings	(403,887)	(106)	(114,967)	-	(518,960)
Purchase of treasury shares and other, net	(83)	-	-	-	(83)
Proceeds from issuance of senior notes, net	350,000	-	-	-	350,000
Proceeds from stock offering and exercise of stock options, net	4,292	-	-	-	4,292
Debt issue costs	(10,964)	-	-	-	(10,964)
Debt financing (to)/from affiliates	(181,016)	(121,990)	303,006	-	-
Dividends paid	-	(3,768)	-	3,768	-
Net cash provided by (used in) financing activities	(149,841)	(125,864)	251,256	3,768	(20,681)
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	13,615	-	(9,698)	-	3,917
NET INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS	69,017	(1,378)	96,505	-	164,144
NET CASH FLOW FROM DISCONTINUED OPERATIONS	-	-	(53,196)	-	(53,196)
CASH AND CASH EQUIVALENTS:					
Beginning of period	10,661	1,889	19,739	-	32,289
End of period	$ 79,678	$ 511	$ 63,048	$ -	$ 143,237

Dura Automotive Systems, Inc.

Consolidating Balance Sheets as of December 31, 2001

	Dura Operating Corp.	Guarantor Companies	Non-Guarantor Companies	Eliminations	Consolidated
			(Amounts in thousands)		
Assets					
Current assets:					
Cash and cash equivalents	$ 10,661	$ 1,889	$ 19,739	$ -	$ 32,289
Accounts receivable, net	34,654	104,205	124,721	-	263,580
Inventories	16,080	35,937	53,244	-	105,261
Other current assets	32,420	16,681	70,593	-	119,694
Current assets of discontinued operations	-	-	47,816	-	47,816
Due from affiliates	190,884	43,531	2,010	(236,425)	-
Total current assets	284,699	202,243	318,123	(236,425)	568,640
Property, plant and equipment, net	96,061	136,954	243,957	-	476,972
Investment in subsidiaries	727,944	25,561	67,192	(820,697)	-
Notes receivable from affiliates	45,372	394,733	70,711	(510,816)	-
Goodwill, net	429,663	82,769	450,035	-	962,467
Other assets, net	53,843	(2,797)	(10,941)	-	40,105
Noncurrent assets of discontinued operations	-	-	73,420	-	73,420
	$ 1,637,582	$ 839,463	$ 1,212,497	$ (1,567,938)	$ 2,121,604
Liabilities and Stockholders' Investment					
Current liabilities:					
Accounts payable	$ 44,751	$ 78,334	$ 102,262	$ -	$ 225,347
Accrued liabilities	60,235	23,535	83,053	-	166,823
Current maturities of long-term debt	42,066	106	18,270	-	60,442
Current liabilities of discontinued operations	-	-	35,386	-	35,386
Due to affiliates	42,532	80,538	113,355	(236,425)	-
Total current liabilities	189,584	182,513	352,326	(236,425)	487,998
Long-term debt, net of current maturities	422,582	124	49,721	-	472,427
Subordinated notes	539,700	-	-	-	539,700
Other noncurrent liabilities	60,894	12,828	43,755	-	117,477
Noncurrent liabilities of discontinued operations	-	-	6,355	-	6,355
Notes payable to affiliates	88,404	35,555	386,857	(510,816)	-
Total liabilities	1,301,164	231,020	839,014	(747,241)	1,623,957
Mandatorily redeemable convertible trust preferred securities	55,250	-	-	-	55,250
Stockholders' investment	281,168	608,443	373,483	(820,697)	442,397
	$ 1,637,582	$ 839,463	$ 1,212,497	$ (1,567,938)	$ 2,121,604

Dura Automotive Systems, Inc.

Consolidating Statements of Operations for the Year Ended Dec. 31, 2001

	Dura Operating Corp.	Guarantor Companies	Non-Guarantor Companies	Eliminations	Consolidated
			(Amounts in thousands)		
Revenues	$ 439,942	$ 1,018,625	$ 934,042	$ (58,904)	$ 2,333,705
Cost of sales	387,299	855,067	830,123	(58,904)	2,013,585
Gross profit	52,643	163,558	103,919	-	320,120
Selling, general and administrative expenses	59,103	28,387	46,890	-	134,380
Facility consolidation, product recall and other charges	22,658	1,680	(219)	-	24,119
Amortization expense	12,902	2,462	11,361	-	26,725
Operating income	(42,020)	131,029	45,887	-	134,896
Interest expense, net	60,688	605	39,221	-	100,514
Income before provision for income taxes and minority interest	(102,708)	130,424	6,666	-	34,382
Provision for income taxes	(8,991)	16,363	3,217	-	10,589
Equity in earnings of affiliates, net	(92,207)	-	(5,249)	97,456	-
Minority interest - dividends on trust preferred securities, net	2,569	-	-	-	2,569
Dividends (to)/from affiliates	(15,298)	-	-	15,298	-
Income from continuing operations	11,219	114,061	8,698	(112,754)	21,224
Income (loss) from discontinued operations	-	-	(10,005)	-	(10,005)
Net income (loss)	$ 11,219	$ 114,061	$ (1,307)	$ (112,754)	$ 11,219

Dura Automotive Systems, Inc.

Consolidating Statements of Cash Flows for the Year Ended Dec. 31, 2001

	Dura Operating Corp.	Guarantor Companies	Non-Guarantor Companies	Eliminations	Consolidated
	(Amounts in thousands)				
OPERATING ACTIVITIES:					
Income (loss) from continuing operations……	$ 11,219	$ 114,061	$ 8,698	$ (112,754)	$ 21,224
Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used in) operating activities:					
Depreciation and amortization…………….	27,704	21,667	37,487	-	86,858
Deferred income tax provision…………….	(2,249)	10,697	23,893	-	32,341
Equity in losses (earnings) of affiliates and minority interest………………………….	(92,207)	-	(5,249)	97,456	-
Changes in other operating items………….	6,555	56,904	28,753	-	92,212
Net cash provided by (used in) operating activities…………………….	(48,978)	203,329	93,582	(15,298)	232,635
INVESTING ACTIVITIES:					
Capital expenditures, net…………………….	(5,714)	(12,534)	(49,844)	-	(68,092)
Net cash used in investing activities…….	(5,714)	(12,534)	(49,844)	-	(68,092)
FINANCING ACTIVITIES:					
Borrowings under revolving credit facilities….	154,830	-	30,052	-	184,882
Repayments of revolving credit facilities…….	(361,842)	-	(48,496)	-	(410,338)
Long-term borrowings……………………….	3,450	138	19,167	-	22,755
Repayments of long-term borrowings……….	(35,149)	(91)	(39,152)	-	(74,392)
Purchase of treasury shares and other, net……	(386)	-	-	-	(386)
Proceeds from issuance of subordinated notes, net………	147,100	-	-	-	147,100
Proceeds from stock offering and exercise of stock options, net……………………………	838	-	-	-	838
Debt issue costs………………………………	(4,006)	-	-	-	(4,006)
Debt financing (to)/from affiliates……………	153,520	(174,841)	21,321	-	-
Dividends paid………………………………	-	(15,298)	-	15,298	-
Net cash provided by (used in) financing activities…………………….	58,355	(190,092)	(17,108)	15,298	(133,547)
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS……………….	(11,030)	-	7,087	-	(3,943)
NET INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS……………………………….	(7,367)	703	33,717	-	27,053
NET CASH FLOW FROM DISCONTINUED OPERATIONS……………………………….	-	-	(25,202)	-	(25,202)
CASH AND CASH EQUIVALENTS:					
Beginning of period…………………………	18,028	1,186	11,224	-	30,438
End of period…………………………………	$ 10,661	$ 1,889	$ 19,739	$ -	$ 32,289

17. Subsequent Event:

In March 2003, Dura completed the divestiture its Mechanical Assemblies Europe business to Magal Engineering and members of the local management group, located in Woodley, England. The divestiture was part of Dura's strategic repositioning to focus Dura on businesses that meet its future growth and profitability targets. The European Mechanical Assemblies business employs approximately 990 people at facilities located in Grenoble and Boynes, France; and Woodley, Nottingham and Stourport, UK. The European Mechanical Assemblies business generated annualized revenues of approximately $111.9 million

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Dura Automotive Systems, Inc.:

We have audited the consolidated financial statements of Dura Automotive Systems, Inc. and subsidiaries as of December 31, 2002 and 2001, and for the years ended December 31, 2002, 2001 and 2000, and have issued our report thereon dated March 24, 2003 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the change in the Company's method of accounting for goodwill and other intangible assets); such consolidated financial statements and report are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of Dura Automotive Systems, Inc. and subsidiaries, listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
March 24, 2003

DURA AUTOMOTIVE SYSTEMS, INC. AND SUBSIDIARIES

Schedule II: Valuation and Qualifying Accounts

Additional Purchase Liabilities Recorded in Conjunction with Acquisitions:

The transactions in the purchase liabilities recorded in conjunction with acquisitions for the years ending December 31, 2002, 2001 and 2000 were as follows (in thousands):

	2002	2001	2000
Balance, beginning of the year	$ 24,679	$ 38,479	$ 64,035
Provisions	-	110	978
Reversals	(679)	(5,223)	(1,921)
Utilizations	(4,114)	(8,687)	(24,613)
Balance, end of the year	$ 19,886	$ 24,679	$ 38,479

Facility Consolidation Charge:

The transactions in the facility consolidation reserve accounts for the year ending December 31, 2002, 2001 and 2000 were as follows (in thousands):

	2002	2001	2000
Balance, beginning of the year	$ 1,766	$ 4,125	$ 12,501
Provisions	25,599	3,874	6,540
Reversals	(864)	(1,628)	(8,201)
Utilizations	(2,193)	(4,605)	(6,715)
Balance, end of the year	$ 24,308	$ 1,766	$ 4,125

Item 9. ***Changes In and Disagreements with Accountants on Accounting and Financial Disclosure***

On May 21, 2002, the Board of Directors of Dura, upon recommendation of its Audit Committee, appointed Deloitte & Touche LLP as its independent auditors for 2002 to replace Arthur Andersen LLP. Dura filed a Current Report on Form 8-K on May 21, 2002 to report such change in accountant and to disclose the information required by this Item 9.

PART III

Item 10. *Directors and Executive Officers of the Registrant*

A. Directors of the Registrant

The information required by Item 10 with respect to the directors is incorporated herein by reference to the section labeled "Election of Directors" which appears in Dura's 2003 Proxy Statement.

B. Executive Officers

The following table sets forth certain information with respect to Dura's executive officers as of March 1, 2003:

Name	Age	Position(s)
Scott D. Rued	46	Chairman and Director
Lawrence A. Denton	52	President, Chief Executive Officer and Director
Karl F. Storrie	65	Vice Chairman and Director
David R. Bovee	53	Vice President, Chief Financial Officer and Assistant Secretary
John J. Knappenberger	56	Vice President
Theresa L. Skotak	45	Vice President
Milton D. Kniss	55	Vice President and President – Control Systems Division
Robert A. Pickering	60	Vice President and President – Atwood Mobile Products Division
Jurgen von Heyden	55	Vice President and President – Body & Glass Division

Scott D. Rued has served as Chairman and Director of Dura since April 2002. From November 1990 until April 2002, Mr. Rued served as Vice President. Mr. Rued, a stockholder of J2R, has also served as President and Chief Executive Officer of Hidden Creek Industries ("HCI") since May 2001. From January 1994 through April 2001, Mr. Rued served as Executive Vice President and Chief Financial Officer of HCI and from June 1989 through 1993 he served as Vice President--Finance and Corporate Development. Mr. Rued has served as Vice President, Corporate Development and a director of Tower Automotive, Inc., a leading designer and producer of automotive structural components and assemblies, since April 1993. Mr. Rued has served as a director of J.L. French Automotive Castings, Inc. since April 2001. Mr. Rued served as Vice President, Chief Financial Officer and a director of Automotive Industries Holding, Inc. from April 1990 to 1995.

Lawrence A. Denton joined Dura as President and Chief Executive Officer in January 2003. From 1996 until 2002, Mr. Denton was President of Dow Automotive, a $1 billion business unit of The Dow Chemical Company. Prior to that, he spent 24 years with Ford Motor Company, where he held a variety of senior management positions with increasing responsibility in manufacturing, quality, sales and marketing, engineering and purchasing. Mr. Denton serves as Chairman of the Board of the Original Equipment Suppliers Association, and is also a board member of the Motor & Equipment Manufacturer's Association, Kettering University and Autotemp Company.

Karl F. Storrie has served as Vice Chairman and Director of Dura since January 2003. From March 1991 until January 2003, Mr. Storrie served as President, Chief Executive Officer and Director. Prior to joining Dura and from 1986, Mr. Storrie was Group President of a number of aerospace manufacturing companies owned by Coltec Industries, a multi-divisional public corporation. Prior to becoming a Group President, Mr. Storrie was a Division President of two aerospace design and manufacturing companies for Coltec Industries from 1981 to 1986. During his thirty-five year career, Mr. Storrie has held a variety of positions in technical and operations management. Mr. Storrie is also a director of Argo-Tech Corporation, a manufacturer of aircraft fuel, boost and transfer pumps.

David R. Bovee has served as Vice President and Chief Financial Officer of Dura since January 2001 and from November 1990 to May 1997. From May 1997 until January 2001, Mr. Bovee served as Vice President of Business Development. Mr. Bovee also serves as Assistant Secretary for Dura. Prior to joining Dura, Mr. Bovee served as Vice President at Wickes in its Automotive Group from 1987 to 1990.

John J. Knappenberger has served as Vice President of Quality and Materials of Dura since December 1995. Mr. Knappenberger assumed responsibility for sales and marketing in June 1997 and information technology in March 1999. Prior to joining Dura, Mr. Knappenberger was Director of Quality for Carrier Corporation's North American Operations, manufacturers of heating and air conditioning systems, from February 1992. From 1985 to 1991, Mr. Knappenberger was employed by TRW Inc., a supplier of components to the automotive industry, beginning as Director of Quality in 1985 for the Steering and Suspension Division and becoming Vice President, Quality for the Automotive Sector in 1990.

Theresa L. Skotak has served as Vice President of Human Resources since May 2002. Prior to that, Mrs. Skotak served as Director of Corporate Human Resources since March 1999. From April 1997 until March 1999, Mrs. Skotak served as Director of Human Resources for Excel.

Milton D. Kniss has served as Vice President of Operations of Dura since January 1994 and President of the Control Systems Division since October 2000. From April 1991 until January 1994, Mr. Kniss served as Director of Michigan Operations for Dura. Mr. Kniss joined the predecessor in 1981 as a Divisional Purchasing Manager, served as Plant Manager of East Jordan, Michigan from 1982 until 1986, and Plant Manager of Gordonsville, Tennessee until 1991.

Robert A. Pickering has served as Vice President of Dura since March 1999 and President of the Atwood Mobile Products Division since January 2000. From December 1996 to March 1999, Mr. Pickering was Vice President of Excel. From 1989 to 1996, Mr. Pickering was employed by Atwood Industries, serving as Vice President of manufacturing of Atwood Automotive Division from 1989 to 1991 and President of Atwood Mobile Products from 1991 to 1996. Prior to joining Atwood Industries, Mr. Pickering's employment included seven years with Tech Form Industries, an automotive OEM supplier, six years with Volkswagen of America, and ten years with the Chevrolet Division of General Motors.

Jurgen von Heyden has served as Vice President of Dura and President of the Body & Glass Division since February 2000. Mr. von Heyden served as Managing Director of Dura Body & Glass Systems GmbH in Plettenberg, Germany from March 1999 to February 2000. Prior to the acquisition of Excel, Mr. von Heyden served as the Managing Director/CEO of Excel's European Body & Glass division since 1997. Before joining Excel he was the Managing Director of Happich, later becoming Becker-Group. Mr. von Heyden has been in the automotive supplier industry since 1984 with professional training of Diplom-Ingenieur and Diplom-Wirtschaftsingenieur.

There are no family relationships between any of Dura's executive officers or directors.

C. Section 16(a) Beneficial Ownership Reporting Compliance

The information required by Item 10 with respect to compliance with reporting requirements is incorporated herein by reference to the section labeled "Section 16(a) Beneficial Ownership Reporting Compliance" which appears in Dura's 2003 Proxy Statement.

Item 11. *Executive Compensation*

The information required by Item 11 is incorporated herein by reference to the sections labeled "Compensation of Directors" and "Executive Compensation" which appear in Dura's 2003 Proxy Statement, excluding information under the headings "Compensation Committee Report on Executive Compensation" and "Performance Graph."

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by Item 12 is incorporated herein by reference to the sections labeled "Ownership of Dura Common Stock" and "Equity Compensation Plans," which appear in Dura's 2003 Proxy Statement.

Item 13. *Certain Relationships and Related Transactions*

The information required by Item 13 is incorporated herein by reference to the section labeled "Certain Relationships and Related Transactions" which appears in Dura's 2003 Proxy Statement.

Item 14. ***Controls and Procedures***

In response to recent legislation and additional requirements, we reviewed our internal control structure and our disclosure controls and procedures during the third quarter of 2002. As a result of such review we implemented minor changes, primarily to formalize and document the already robust procedures in place. We have designed our disclosure controls and procedures to ensure that material information related to Dura, including our consolidated subsidiaries, is made known to our disclosure committee, including our principal executive officer and principal financial officer, on a regular basis, in particular during the period in which the quarterly and annual reports are being prepared. As required, we will continue to evaluate the effectiveness of these disclosure controls and procedures on a quarterly basis, and last did so as of December 31, 2002, a date within 90 days prior to the filing of this annual report. We believe as of that date, such controls and procedures are operating effectively as designed.

We presented the results of our most recent evaluation to our independent auditors, Deloitte & Touche LLP, and the Audit Committee of the Board of Directors. Based on such evaluation, Dura’s management, including the principal executive officer and principal financial officer, concluded that Dura’s disclosure controls and procedures are adequate to insure the clarity and material completeness of Dura’s disclosure in its periodic reports required to be filed with the SEC and there are no significant deficiencies or material weaknesses in the design or operation of internal controls which could significantly affect our ability to record, process, summarize and report financial data.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) Documents Filed as Part of this Report on Form 10-K

(1) Financial Statements:

- Independent Auditors' Report
- Consolidated Balance Sheets as of December 31, 2002 and 2001
- Consolidated Statements of Operations for the Years Ended December 31, 2002, 2001 and 2000
- Consolidated Statements of Stockholders' Investment for the Years Ended December 31, 2002, 2001 and 2000
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2002, 2001 and 2000
- Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

- Financial Statement Schedule II--Valuation and Qualifying Accounts

(3) Exhibits: See "Exhibit Index" beginning on page 74.

(b) Reports on Form 8-K

None.

DURA AUTOMOTIVE SYSTEMS, INC.

EXHIBIT INDEX TO ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

Exhibit		Page Number in Sequential Numbering of all Form 10-K and Exhibit Pages
3.1	Restated Certificate of Incorporation of Dura Automotive Systems, Inc., incorporated by reference to Exhibit 3.1 of the Registration Statement on Form S-4 (Registration No. 333-81213) (the “S-4”).	*
3.2	Amended and Restated By-laws of Dura Automotive Systems, Inc., incorporated by reference to exhibit 3.2 of the Registration Statement on Form S-1 (Registration No. 333-06601) (the “S-1”).	*
4.1	Amended and Restated Stockholders Agreement, dated as of August 13, 1996, by and among Dura, Onex U.S. Investments, Inc., J2R, Alkin, the HCI Stockholders (as defined therein) and the Management Stockholders (as defined therein), incorporated by reference to Exhibit 10.30 of the S-1.	*
4.2	Amendment No. 1 to Amended and Restated Stockholders Agreement, dated as of August 13, 1996, by and between Dura, Onex DHC LLC, J2R, Alkin and the HCI Stockholders and the Management Stockholders, incorporated by reference to Exhibit 4.1 of the Quarterly Report on Form 10-Q for the quarter ended September 30, 1997.	*
4.3	Registration Agreement, dated as of August 31, 1994, among Dura, Alkin and the MC Stockholders (as defined therein), incorporated by reference to Exhibit 4.3 of the S-1.	*
4.4	Amendment to Registration Agreement, dated May 17, 1995, by and between Dura, the MC Stockholders (as defined therein) and Alkin, incorporated by reference to Exhibit 4.4 of the S-1.	*
4.5	Amended and Restated Investor Stockholder Agreement, dated as of August 13, 1996, by and among Dura, Onex, U.S. Investments, Inc., J2R and certain other stockholders party thereto, incorporated by reference to Exhibit 10.31 of the S-1	*
4.6	Form of certificate representing Class A common stock of Dura, incorporated by reference to Exhibit 4.6 of the S-1	*
4.7	Indenture, dated April 22, 1999, between Dura Operating Corp., Dura Automotive. Systems, Inc., the Subsidiary Guarantors and U.S. Bank Trust National Association, as trustee, relating to the 9% senior subordinated notes denominated in U.S. dollars, incorporated by reference to Exhibit 4.7 of the S-4.	*
4.8	Indenture, dated April 22, 1999, between Dura Operating Corp., Dura Automotive Systems, Inc., the Subsidiary Guarantors and U.S. Bank Trust National Association, as trustee, relating to the 9% senior subordinated notes denominated in Euros, incorporated by reference to Exhibit 4.8 of the S-4.	*
4.9	Certificate of Trust of Dura Automotive Systems Capital Trust, incorporated by reference to Exhibit 4.8 of the Registrant's Form S-3, Registration No. 333-47273 filed under the Securities Act of 1933 (the “Form S-3”).	*
4.10	Form of Amended and Restated Trust Agreement of Dura Automotive Systems Capital Trust among Dura Automotive Systems, Inc., as Sponsor, The First National Bank of Chicago, as Property Trustee, First Chicago Delaware, Inc., as Delaware Trustee and the Administrative Trustees named therein, incorporated by reference to Exhibit 4.9 of the Form S-3.	*

Exhibit		Page Number in Sequential Numbering of all Form 10-K and Exhibit Pages
4.11	Form of Junior Convertible Subordinated Indenture between Dura Automotive Systems, Inc. and The First National Bank of Chicago, as Indenture Trustee, incorporated by reference to Exhibit 4.10 of the Form S-3.	*
4.12	Form of Preferred Security, incorporated by reference to Exhibit 4.11 of the Form S-3.	*
4.13	Form of Debenture, incorporated by reference to Exhibit 4.12 of the Form S-3.	*
4.14	Form of Guarantee Agreement between Dura Automotive Systems, Inc., as Guarantor, and The First National Bank of Chicago, as Guarantee Trustee with respect to the Preferred Securities of Dura Automotive Systems Capital Trust, incorporated by reference to Exhibit 4.13 of the Form S-3.	*
4.15	Indenture, dated June 22, 2001, between Dura Operating Corp., Dura Automotive Systems, Inc., the Subsidiary Guarantors and U.S. Bank Trust National Association, as trustee, relating to the Series C and Series D, 9% senior subordinated notes denominated in U.S. Dollars, incorporated by reference to Exhibit 4.7 of the S-4.	*
10.1	Amended and Restated Credit Agreement, dated as of March 19, 1999, among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Automotive Systems (Europe) GmbH, Dura Asia-Pacific Pty Limited ACN 004884539 and Dura Automotive Systems (Canada), Ltd., as Dura Borrowers, Trident Automotive plc, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operating Inc., Dura Automotive Systems Cable Operations Canada, Inc. and Moblan Investments B.V., as Trident Borrowers, Dura Automotive Acquisition Limited, as the initial Adwest Borrower, Bank of America National Trust and Savings Association, as Agent, BA Australia Limited, as Australian Lender, Bank of America Canada, as Canadian Lender, Bank of America National Trust and Savings Association, as Swing Line Lender and Issuing Lender, and the other financial institutions party thereto, NationsBanc Montgomery Securities LLC, as Lead Arranger and Book Manager, incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999.	*
10.2**	1996 Key Employee Stock Option Plan, incorporated by reference to Exhibit 10.27 of the S-1.	*
10.3**	Independent Director Stock Option Plan, incorporated by reference to Exhibit 10.28 of the S-1.	*
10.4**	Employee Stock Discount Purchase Plan, incorporated by reference to Exhibit 10.29 of the S-1.	*
10.5	Stock Purchase Agreement, dated August 1, 1997, by and among Dura Shifter Holding Corp. and the various selling shareholders, incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K dated September 12, 1997.	*
10.6	Joint Venture Agreement by and among Orscheln Co., MC Holding Corp., Onex U.S. Investments, Inc., J2R Corporation and Dura Automotive Holding, Inc., dated as of August 31, 1994, incorporated by reference to Exhibit 10.1 of the S-1.	*
10.7	Stock Purchase Agreement, dated April 8, 1998, by and among Dura Automotive Systems (UK) Limited and the various selling shareholders listed on the various signature pages thereto, incorporated by reference to Exhibit 2.1 of Dura's Amendment No. 1 to Form 8-K/A dated April 30, 1998.	*

Exhibit		Page Number in Sequential Numbering of all Form 10-K and Exhibit Pages
10.8	Stock Purchase Agreement, dated April 8, 1998, by and among Dura Automotive Systems (UK) Limited and Mervyn Edgar (including a schedule identifying Stock Purchase Agreements executed by D. Michael Dodge, Geoff Hill, Thomas Humann, Dan Robosto, Frances Sarrazin and Lothar Singe), incorporated by reference to Exhibit 2.2 of Dura's Amendment No. 1 to Form 8-K/A dated April 30, 1998.	*
10.9**	Stock Option Agreement, dated as of August 31, 1994, between Dura Automotive Systems, Inc., and Alkin incorporated by reference to Exhibit 10.4 of the S-1.	*
10.10**	Promissory Note, dated December 31, 1991, of Karl F. Storrie in favor of Automotive Systems, Inc., incorporated by reference to Exhibit 10.17 of the S-1.	*
10.11**	1998 Stock Incentive Plan, as amended.	*
10.12	Agreement and Plan of Merger, dated as of January 19, 1999, among Dura Automotive Systems, Inc., Excel Industries, Inc. and Windows Acquisition Corporation, incorporated by reference to Exhibit 2.1 to Dura's Current Report on Form 8-K, dated January 22, 1999.	*
10.13	Amendment to Agreement and Plan of Merger, dated as of March 9, 1999, by and among Dura Automotive Systems, Inc., Dura Operating Corp., Excel Industries, Inc. and Windows Acquisition Corporation incorporated by reference to the additional definitive proxy materials filed with the SEC on March 11, 1999.	*
10.14**	Deferred Income Leadership Stock Purchase Plan, incorporated by reference to Appendix A of the 2000 Proxy Statement filed with the SEC on May 25, 2000.	*
10.15**	Director Deferred Stock Purchase Plan, incorporated by reference to Appendix B of the 2000 Proxy Statement filed with the SEC on May 25, 2000.	*
10.16	First Amendment to Amended and Restated Credit Agreement, dated as of May 10, 2001, among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Automotive Systems (Europe) GmbH, Dura Asia-Pacific Pty Limited ACN 004884539 and Dura Automotive Systems (Canada), Ltd., as Dura Borrowers, Trident Automotive plc, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operating Inc., Dura Automotive Systems Cable Operations Canada, Inc. and Moblan Investments B.V., as Trident Borrowers, Dura Automotive Acquisition Limited, as the initial Adwest Borrower, Bank of America National Trust and Savings Association, as Agent, BA Australia Limited, as Australian Lender, Bank of America Canada, as Canadian Lender, Bank of America National Trust and Savings Association, as Swing Line Lender and Issuing Lender, and the other financial institutions party thereto, NationsBanc Montgomery Securities LLC, as Lead Arranger and Book Manager, incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001.	*

Exhibit		Page Number in Sequential Numbering of all Form 10-K and Exhibit Pages
10.17	Second Amendment to Amended and Restated Credit Agreement dated as of June 15, 2001 among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Holding Germany GmbH, Dura Asia-Pacific Pty Limited ACN 004 884 539, Dura Automotive Systems (Canada), Ltd., Trident Automotive Limited, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operations Inc., Moblan Investments B.V., Dura Automotive Acquisition Limited, Dura Automotive Holding GmbH & Co. KG, and Adwest France, S.A.; Bank of America National Trust and Savings Association, as Agent, BA Australia Limited, as Australian Lender, Bank of America Canada, as Canadian Lender, Bank of America National Trust and Savings Association, as Swing Line Lender and Issuing Lender, and the other financial institutions party hereto; NationsBanc Montgomery Securities LLC, as Lead Arranger and Book Manager.	*
10.18	Third Amendment to Amended and Restated Credit Agreement dated as of August 24, 2001 among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Holding Germany GmbH, Dura Automotive Systems (Canada), Ltd., Trident Automotive Limited, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operations Inc., Moblan Investments B.V., Dura Automotive Acquisition Limited, Dura Automotive Holding GmbH & Co. KG, and Adwest France, S.A.; Bank of America National Trust and Savings Association, as Agent, BA Australia Limited, as Australian Lender, Bank of America Canada, as Canadian Lender, Bank of America National Trust and Savings Association, as Swing Line Lender and Issuing Lender, and the other financial institutions party hereto; NationsBanc Montgomery Securities LLC, as Lead Arranger and Book Manager.	*
10.19	Fourth Amendment to Amended and Restated Credit Agreement dated as of April 17, 2002 among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Holding Germany GmbH, Dura Automotive Systems (Canada), Ltd., Trident Automotive Limited, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operations Inc., Moblan Investments B.V., Dura Automotive Acquisition Limited, Dura Automotive Holding GmbH & Co. KG, and Adwest France, S.A.; Bank of America National Trust and Savings Association, as Agent, BA Australia Limited, as Australian Lender, Bank of America Canada, as Canadian Lender, Bank of America National Trust and Savings Association, as Swing Line Lender and Issuing Lender, and the other financial institutions party hereto; NationsBanc Montgomery Securities LLC, as Lead Arranger and Book Manager.	*
10.20	Fifth Amendment to Amended and Restated Credit Agreement dated as of December 30, 2002 among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Holding Germany GmbH, Dura Automotive Systems (Canada), Ltd., Trident Automotive Limited, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operations Inc., Moblan Investments B.V., Dura Automotive Acquisition Limited, Dura Automotive Holding GmbH & Co. KG, Dura Automotive Systèmes Europe S.A.; JPMorgan Chase Bank, as Syndication Agent; Bank of America, N.A., acting through its Canada Branch (as assignee of Bank of America Canada), as Canadian Lender; Bank of America, N.A., as Swing Line Lender, as Issuing Lender and as agent for the Lenders.	—

Exhibit		**Page Number in Sequential Numbering of all Form 10-K and Exhibit Pages**
10.21	Supplemental Indenture, dated as of February 21, 2002, by and among Dura G.P., a Delaware general partnership, Dura Operating Corp., a Delaware corporation, Dura Automotive Systems, Inc., a Delaware corporation, Dura Automotive Systems Cable Operations, Inc., a Delaware corporation, Universal Tool & Stamping Company Inc., an Indiana corporation, Adwest Electronics, Inc., a Delaware corporation, Dura Automotive Systems of Indiana, Inc., an Indiana corporation, Atwood Automotive Inc., a Michigan corporation and Mark I Molded Plastics of Tennessee, Inc., a Tennessee corporation, Atwood Mobile Products, Inc., an Illinois corporation, and U.S. Bank Trust National Association, as trustee under the Indentures.	*
10.22	Tranche C term loan supplement to amended and restated credit agreement dated as of April 18, 2002 is entered into among Dura Operating Corp., the financial institutions listed on the signature pages hereof, and Bank of America, N.A., as agent for the Lenders under the Agreement.	*
10.23	Master Assignment and Acceptance Agreement (Tranche C Term Loan) dated as of April 24, 2002 is made between Bank of America, N.A. and each of the parties listed on Annex I hereto.	*
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges.	—
21.1	Subsidiaries of Dura Automotive Systems, Inc.	—
23.1	Consent of Deloitte and Touche LLP filed herewith.	—
99.1	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	—
99.2	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	—

* Incorporated by reference.
** Indicates compensatory arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DURA AUTOMOTIVE SYSTEMS, INC.

By /s/ SCOTT D. RUED
Scott D. Rued, Chairman

Date: March 27, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ SCOTT D. RUED Scott D. Rued	Chairman and Director	March 27, 2003
/s/ LAWRENCE A. DENTON Lawrence A. Denton	President, Chief Executive Officer (Principal Executive Officer) and Director	March 27, 2003
/s/ KARL F. STORRIE Karl F. Storrie	Vice Chairman and Director	March 27, 2003
/s/ ROBERT E. BROOKER, JR. Robert E. Brooker, Jr.	Director	March 27, 2003
/s/ JACK K. EDWARDS Jack K. Edwards	Director	March 27, 2003
/s/ JAMES O. FUTTERKNECHT, JR. James O. Futterknecht, Jr.	Director	March 27, 2003
/s/ S.A. JOHNSON S.A. Johnson	Director	March 27, 2003
/s/ J. RICHARD JONES J. Richard Jones	Director	March 27, 2003
/s/ ERIC J. ROSEN Eric J. Rosen	Director	March 27, 2003
/s/ RALPH R. WHITNEY, JR. Ralph R. Whitney, Jr.	Director	March 27, 2003
/s/ DAVID R. BOVEE David R. Bovee	Vice President and Chief Financial Officer (Principal Accounting Officer)	March 27, 2003

CERTIFICATION

I, Lawrence A. Denton, certify that:

1. I have reviewed this annual report on Form 10-K of Dura Automotive Systems, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Lawrence A. Denton

Lawrence A. Denton
President, Chief Executive Officer and Director
March 27, 2003

CERTIFICATION

I, David R. Bovee, certify that:

1. I have reviewed this annual report on Form 10-K of Dura Automotive Systems, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ David R. Bovee

David R. Bovee
Vice President and Chief Financial Officer
March 27, 2003

DURA AUTOMOTIVE SYSTEMS, INC.

EXHIBIT INDEX

Exhibit Number	Exhibit Name
10.20	Fifth Amendment to Amended and Restated Credit Agreement dated as of December 30, 2002 among Dura Automotive Systems, Inc., as Parent Guarantor, Dura Operating Corp., Dura Holding Germany GmbH, Dura Automotive Systems (Canada), Ltd., Trident Automotive Limited, Dura Automotive Systems Limited, Spicebright Limited, Dura Automotive Systems Cable Operations Inc., Moblan Investments B.V., Dura Automotive Acquisition Limited, Dura Automotive Holding GmbH & Co. KG, Dura Automotive Systèmes Europe S.A.; JPMorgan Chase Bank, as Syndication Agent; Bank of America, N.A., acting through its Canada Branch (as assignee of Bank of America Canada), as Canadian Lender; Bank of America, N.A., as Swing Line Lender, as Issuing Lender and as agent for the Lenders
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of Dura Automotive Systems, Inc.
23.1	Consent of Deloitte and Touche LLP filed herewith.
99.1	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 10.20

FIFTH AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

This FIFTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT dated as of December 30, 2002 (this "Amendment") is entered into among DURA AUTOMOTIVE SYSTEMS, INC., as Parent Guarantor ("DASI"), DURA OPERATING CORP. and various of its Subsidiaries listed on the signature pages hereto as Borrowers (the "Borrowers"), the LENDERS party hereto, JPMORGAN CHASE BANK, as Syndication Agent, BANK OF AMERICA, N.A., acting through its Canada Branch (as assignee of Bank of America Canada), as Canadian Lender, and BANK OF AMERICA, N.A., as Swing Line Lender, as Issuing Lender and as agent for the Lenders (the "Agent").

RECITALS

A. DASI, the Borrowers, the Lenders and the Agent are parties to that certain Amended and Restated Credit Agreement dated as of March 19, 1999, as amended as of May 10, 2001, June 15, 2001, August 24, 2001 and April 17, 2002 (the "Agreement").

B. The Borrowers, the Required Lenders and the Agent wish to amend the Agreement in certain respects with respect to certain financial covenants therein and in certain other respects.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Certain Defined Terms. Capitalized terms which are used herein without definition and that are defined in the Agreement shall have the same meanings herein as in the Agreement.

2. Amendments to Agreement. The Agreement is hereby amended as follows:

2.1 Section 1.1 of the Agreement is amended as of the Amendment Effective Date by amending the following definitions of "Senior Leverage Ratio" and "Total Debt to EBITDA Ratio" to read in their entirety as follows:

"Senior Leverage Ratio means, as of the last day of any fiscal quarter, the ratio of

(a) the consolidated Indebtedness of DASI and its Subsidiaries as of such day,

(i) excluding from such consolidated Indebtedness, to the extent, if any, included therein, (A) the Trust Preferred Stock Debentures and the Trust Preferred Securities, and (B) all Subordinated Indebtedness, and

(ii) for purposes of Section 11.12 only, if on the last day of such fiscal quarter the aggregate outstanding principal Dollar Equivalent amount of the Revolving Loans (excluding the aggregate undrawn Dollar Equivalent amount of all Letters of Credit outstanding) is less than U.S.$35,000,000, subtracting from such consolidated Indebtedness any amount of cash and cash equivalents in excess of U.S.$25,000,000 held by DASI and its Subsidiaries on the last day of such fiscal quarter,

to

(b) EBITDA for the Computation Period ending on such day.

If DASI or any Subsidiary makes any Acquisition, the Senior Leverage Ratio shall be calculated on a combined basis during the first 12 months following such Acquisition based on the assumption that such Acquisition had been completed (and the financial results of the acquired Person or assets had been included in the consolidated financial results of DASI beginning) on the first day of the relevant Computation Period (but without adjustment for any cost savings or other synergies attributable to such Acquisition for the period prior to the date of such Acquisition).

If DASI or any Subsidiary sells or otherwise transfers any or all of its interest in any Subsidiary (the "Disposed Subsidiary") to another Person or Persons so that such Disposed Subsidiary is no longer a Subsidiary of DASI or if DASI or any Subsidiary sells or otherwise transfers substantially all of its assets in any business unit, line or plant (the "Disposed Business") to another Person or Persons that are neither DASI nor Subsidiaries, the Senior Leverage Ratio shall be calculated on a pro forma basis during the first 12 months following such sale or other transfer of such Disposed Subsidiary or Disposed Business based on the assumption that such sale or other transfer had been completed (and the financial results of such Disposed Subsidiary or Disposed Business had been excluded in the consolidated financial results of DASI beginning) on the first day of the relevant Computation Period."

"Total Debt to EBITDA Ratio means, as of the last day of any fiscal quarter, the ratio of

(a) the consolidated Indebtedness of DASI and its Subsidiaries as of such day, (i) excluding from such consolidated Indebtedness, to the extent, if any, included therein, the Trust Preferred Stock Debentures and the Trust Preferred Securities, and (ii), if on the last day of such fiscal quarter the aggregate outstanding principal Dollar Equivalent amount of the Revolving Loans (excluding the aggregate undrawn Dollar Equivalent amount of all Letters of Credit outstanding) is less than U.S.$35,000,000, subtracting from such consolidated Indebtedness any amount of cash and cash equivalents in excess of U.S.$25,000,000 held by DASI and its Subsidiaries on the last day of such fiscal quarter,

to

(b) EBITDA for the Computation Period ending on such day.

If DASI or any Subsidiary makes any Acquisition, the Total Debt to EBITDA Ratio shall be calculated on a combined basis during the first 12 months following such Acquisition based on the assumption that such Acquisition had been completed (and the financial results of the acquired Person or assets had been included in the consolidated financial results of DASI beginning) on the first day of the relevant Computation Period (but without adjustment for any cost savings or other synergies attributable to such Acquisition for the period prior to the date of such Acquisition).

If DASI or any Subsidiary sells or otherwise transfers any or all of its interest in any Subsidiary (the "Disposed Subsidiary") to another Person or Persons so that such Disposed Subsidiary is no longer a Subsidiary of DASI or if DASI or any Subsidiary sells or otherwise transfers substantially all of its assets in any business unit, line or plant (the "Disposed Business") to another Person or Persons that are neither DASI nor Subsidiaries, the Total Debt to EBITDA Ratio shall be calculated on a pro forma basis during the first 12 months following such sale or other transfer of such Disposed Subsidiary or Disposed Business based on the assumption that such sale or other transfer had been completed (and the financial results of such Disposed Subsidiary or Disposed Business had been excluded in the consolidated financial results of DASI beginning) on the first day of the relevant Computation Period."

Sections 11.10 and 11.11 of the Agreement are amended as of the Amendment Effective Date to read in their entirety as follows:

"11.10 Fixed Charge Coverage Ratio. DASI shall not permit, as of the last day of the following fiscal quarters, the ratio of (a) the sum of Consolidated Net Income before Interest Expense (including to the extent, if any, excluded therefrom, distributions in respect of the Trust Preferred Stock Debentures), income tax expense, amortization expense and operating lease expense (excluding any non-cash extraordinary charges and other non-cash charges and any gains and losses from dispositions of a Disposed Business or Disposed Subsidiary) for the Computation Period ending on such day, to (b) the sum of Interest Expense (including, to the extent, if any, excluded therefrom, distributions (computed on a pre-tax basis) in respect of the Trust Preferred Stock Debentures) and operating lease expense of DASI and its Subsidiaries for such Computation Period, to be less than the following ratios:

Fiscal Quarter Ending	Ratio
Any fiscal quarter ending on or after March 31, 2002 and on or prior to March 31, 2003	1.40:1
Any fiscal quarter ending thereafter	1.50:1

"11.11 Net Worth. DASI shall not permit the sum of (x) its consolidated stockholders equity (excluding currency translation adjustments after December 31, 2001 but including the Trust Preferred Stock or, if issued, the Trust Preferred Stock Debentures of DASI) plus (y) the amount of any extraordinary non-cash charge with respect to goodwill effected in 2002 in implementing FAS No. 142, in each case determined as of the last day of any fiscal quarter, to be less than the sum of (i) U.S. $340,000,000 plus (ii) 75% of the Net Cash Proceeds of equity securities of DASI issued on or after December 31, 2001."

3. Representations and Warranties. DASI and each Borrower hereby represent and warrant to the Agent and the Lenders as follows:

(i) Representations and Warranties. The representations and warranties contained in Article IX of the Agreement are true and correct in all material respects as of the date hereof (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct as of such earlier date).

(ii) Enforceability. The execution and delivery by DASI and each Borrower of this Amendment, and the performance by DASI and each Borrower of this Amendment and the Agreement, as amended hereby, are within the corporate powers of DASI and each Borrower and have been duly authorized by all necessary corporate action on the part of DASI and each Borrower. This Amendment and the Agreement, as amended hereby, are valid and legally binding obligations of DASI and each Borrower, enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(iii) No Default. After giving effect to the terms of this Amendment, no Event of Default or Unmatured Event of Default shall have occurred and be continuing.

(iv) No Material Adverse Effect. No Material Adverse Effect has occurred and is continuing since December 31, 2001.

4. Effect of Amendment. Except as expressly amended and modified by this Amendment, all provisions of the Agreement shall remain in full force and effect; and DASI and the Borrowers confirm and reaffirm their Obligations under the Agreement as amended by this Amendment. After this Amendment becomes effective, all references in the Agreement (or in any other Loan Document) to "this Agreement", "hereof", "herein" or words of similar effect referring to the Agreement shall be deemed to be references to the Agreement as amended by this Amendment. This Amendment shall not be deemed to expressly or impliedly waive, amend or supplement any provision of the Agreement other than as set forth herein.

5. Effectiveness. This Amendment shall become effective as of December 30, 2002 (the "Amendment Effective Date"), provided that all of the following shall have occurred on or before February 17, 2003: (i) receipt by the Agent of counterparts of this Amendment (whether by facsimile or otherwise) executed by DASI, the Borrowers, the Agent and the Required Lenders, and (ii) receipt by the Agent for the benefit of each Lender consenting to this

Amendment of an amendment fee paid by Dura in immediately available funds equal to 0.05% of the aggregate amount of such Lender's Commitments and Term Loans.

6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, and each counterpart shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A facsimile of the signature of any party on any counterpart shall be effective as the signature of the party executing such counterpart for purposes of the effectiveness of this Amendment.

7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of Illinois; provided that the Agent and the Lenders shall retain all rights arising under Federal law.

8. Section Headings. The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreement or any provision hereof or thereof.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

DURA AUTOMOTIVE SYSTEMS, INC.

By: /s/ DAVID R. BOVEE

Title: VICE PRESIDENT & CFO

DURA OPERATING CORP.

By: /s/ DAVID R. BOVEE

Title: VICE PRESIDENT & CFO

BANK OF AMERICA, N.A., AS AGENT

By: /s/ DAVID PRICE

Title: VICE PRESIDENT

EXHIBIT 12.1

STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	For the Years Ended December 31,				
	1998	1999	2000	2001	2002
Earnings:					
Pre-tax income from continuing operations	$50,989	$ 79,080	$ 73,089	$ 34,382	$ 88,713
Fixed charges	26,338	94,277	127,575	118,743	99,324
Less: Preferred stock dividends	(3,234)	(4,144)	(4,144)	(4,144)	(4,144)
Less: Capitalized interest	(262)	-	-	-	-
Net fixed charges	22,842	90,133	123,431	114,599	95,180
EARNINGS	$73,831	$169,213	$196,520	$148,981	$183,893
FIXED CHARGES:					
Interest expense	$20,267	$ 81,046	$111,929	$100,514	$ 83,908
Preferred stock dividends	3,234	4,144	4,144	4,144	4,144
Capitalized interest	262	-	-	-	-
Amortization of debt costs	865	4,930	6,254	6,689	5,255
Interest factor of rental expense	1,710	4,157	5,248	7,396	6,017
TOTAL FIXED CHARGES	$26,338	$ 94,277	$127,575	$118,743	$ 99,324
RATIO OF EARNINGS TO FIXED CHARGES	2.8	1.8	1.5	1.3	1.9

EXHIBIT 21.1

LIST OF SUBSIDIARIES

Set forth below is a list of all of the subsidiaries of Dura Automotive Systems, Inc. Unless otherwise indicated, all of the subsidiaries are wholly owned. If indented, the company is a subsidiary of the company under which it is listed.

Name	**Jurisdiction Formation**
Dura Operating Corp	Delaware
Dura Automotive Systems of Indiana, Inc.	Indiana
Autopartes Excel de Mexico, S.A. de C.V.	Mexico
Atwood Automotive, Inc	Michigan
Atwood Mobile Products, Inc	Illinois
Shanghai Sanfeng Atwood Electric Co. Ltd. JV (4)	China
Mark I Molded Plastics of Tennessee, Inc.	Tennessee
Dura Holding Germany GmbH	Germany
Dura Automotive Body & Glass Systems GmbH & Co	Germany
Dura Automotive Selbecke Leisten & Blenden GmbH	Germany
Dura Automotive Plettenberg Leisten und Blenden GmbH	Germany
Dura Automotive Herne Karosseriekomponenten GmbH	Germany
Dura Automotive Plettenberg Glasmodule GmbH	Germany
Dura Automotive Plettenberg Kunststoffteile GmbH	Germany
Dura Automotive Plettenberg Werkzeugbau-und Werkserhaltungs GmbH	Germany
Dura Automotive Plettenberg Entwicklungs-und Vertriebs GmbH	Germany
Dura Automotive Plettenberg Oberflachenveredelung GmbH	Germany
Dura Automotive Handels-und Beteiligungsgesellschaft GmbH	Germany
Dura Automotive GmbH Projektgesellschaft	Germany
Dura Automotive CZ s.r.oCzech	Republic
Schade Deco-Systems GmbH	Germany
Dura Automotive Body & Glass Systems UK Ltd.	UK
Dura Shifter Systems UK Ltd. (7)	UK
Dura Automotive Automocion S.A	Spain
Dura Automotive Portuguesa Industria de Componentes para Automovels Lda	Portugal
Dura Automotive Body & Glass Systems Components, a.s	Slovakia
Dura Automotive Systems CZ s.r.o	Czech Republic
Dura/Excel do Brasil Ltda	Brazil
Dura Automotive Systems do Brasil Ltda	Brazil
Dura UK Limited	UK
Trident Automotive Limited	UK
Dura Holdings Limited	UK
Rearsby Group Ltd	UK
Adwest Electronics, Inc.	Delaware
Dura Automotive Limited.	UK
Western Thomson India Limited (1)	India
Carbin Ltd	UK
Dura Cables Limited	UK
ACK Controls, Inc.(5)	Delaware
Spicebright Limited	UK
Adwest Horndraulic Australia.	Australia
Moblan Investments, B.V.	The Netherlands
Dura Automotive Systems S.A. (6)	France
Dura Automotive Systèmes Europe S.A.	France

Name	Jurisdiction Formation
Dura Automotive Holding GmbH & Co KG (2)	Germany
Dura Automotive Grundstuckverwaltung GmbH.	Germany
Dura Automotive Systems Einbeck GmbH.	Germany
Dura Automotive Systems Rotenburg GmbH	Germany
Dura Automotive Systems Kohler GmbH	Germany
Dura Automotive Systems GmbH	Germany
Dura Automotive Systems Reiche GmbH	Germany
Dura Automotive Systems Reiche GmbH & Co. KG	Germany
Dura Automotive, S. L. (3)	Spain
Dura Automotive Canada ULC	Nova Scotia
Dura Ontario Inc	Canada
Dura Canada, L.P	Canada
Dura Automotive Systems (Canada), Ltd	Canada
Trident Automotive Limited	Canada
Trident Automotive L.P	Delaware
Trident Automotive Canada Co	Nova Scotia
Trident Automotive L.L.C	Delaware
Dura Automotive Systems Cable Operations, Inc	Delaware
Universal Tool & Stamping Company, Inc	Indiana
Dura de Mexico, S.A. de C.V	Mexico
Dura Automotive Systems Export, Inc	Barbados
Dura Global Technologies, Inc.	Michigan
Dura Aircraft Operating Company, LLC	Michigan
Dura Brake Systems, LLC.	Michigan
Dura G.P	Delaware
Dura Shifter , LLC	Michigan

(1) 49% owned by Dura Automotive Limited
(2) 11.6% owned by Dura Holding Germany GmbH and 68.4% owned by Dura Automotive Systèmes Europe S.A.
(3) 96.5% owned by Dura Holding Germany GmbH and 3.5% owned by Spicebright Limited.
(4) 53% owned by Atwood Mobile Products, Inc.
(5) 13% owned by Trident Automotive Limited
(6) 57% owned by Spicebright and 43% owned by Moblan Investments, B.V.
(7) 50% owned by Dura Automotive Body & Glass Systems UK Ltd. And 50% owned by Dura Automotive Systems (Canada) Ltd.

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in Registration Statement No. 333-17821 on Form S-8, in Registration Statement No. 333-71483-1 on Form S-8 and in Registration Statement No. 333-75277 on Form S-8 of Dura Automotive Systems, Inc. of our reports dated March 24, 2003, appearing in this Annual Report on Form 10-K of Dura Automotive Systems, Inc. for the year ended December 31, 2002 (which reports express an unqualified opinion and include an explanatory paragraph relating to the change in the Company’s method of accounting for goodwill and other intangible assets).

DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
March 24, 2003

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Dura Automotive Systems, Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence A. Denton, President, Chief Executive Officer (Principal Executive Officer) and Director of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Lawrence A. Denton

Lawrence A. Denton
President, Chief Executive Officer and Director
(Principal Executive Officer)
March 27, 2003

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Dura Automotive Systems, Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David R. Bovee, Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ David R. Bovee

David R. Bovee
Vice President and Chief Financial Officer
(Principal Financial Officer)
March 27, 2003

DURA Volkswagen Touareg
Aluminum Door Module

DIRECTORS

Scott D. Rued
Chairman
DURA Automotive Systems, Inc.

Lawrence A. Denton
President and Chief Executive Officer
DURA Automotive Systems, Inc.

Karl F. Storrie
Vice Chairman
DURA Automotive Systems, Inc.

S.A. "Tony" Johnson
Chairman
Hidden Creek Industries, Inc.

J.K. (Jack) Edwards
Executive Vice President
Cummins Engine Co.

James O. Futterknecht, Jr.
Former Chairman and
Chief Executive Officer
Excel Industries, Inc.

J. Richard Jones
Former Chairman and
Chief Executive Officer
Trident

Eric J. Rosen
Managing Director
Onex Investment Group

Ralph R. Whitney, Jr.
Principal
Hammon, Kennedy,
Whitney and Company, Inc.

Robert E. Brooker, Jr.
Former President,
Chief Operating Officer
Connell Limited Partnership

OFFICERS

Scott D. Rued
Chairman

Lawrence A. Denton
President and Chief Executive Officer

Karl F. Storrie
Vice Chairman

David R. Bovee
Vice President and
Chief Financial Officer

John J. Knappenberger
Vice President

Theresa L. Skotak
Vice President

Robert A. Pickering
Vice President

Milton D. Kniss
Vice President

Jürgen von Heyden
Vice President

Shareholder Services
DURA Automotive Systems, Inc.
2791 Research Drive
Rochester Hills, MI 48309-3575
Ph: 248-299-7500
Fax: 248-299-7501

Independent Public Accountants
Deloitte & Touche LLP
Minneapolis, Minnesota

Investor Relations Counsel
Padilla Speer Beardsley Inc.
Minneapolis, Minnesota

Registrar and Transfer Agent
Wachovia Bank N.A.
Charlotte, North Carolina
Ph: 704-590-7517

Annual Meeting
The annual meeting of stockholders will be held on Tuesday, May 20, 2003 at 1 p.m. Eastern Time, at DURA Automotive Systems, Inc., 2791 Research Drive, Rochester Hills, Michigan.

Stock Information

The Class A Common Stock is traded on the Nasdaq National Market under the symbol "DRRA." The following table sets forth, for the periods indicated, the high and low closing sale prices for the Class A Common Stock as regularly quoted on Nasdaq.

2002	High	Low
Fourth Quarter	$ 13.25	$ 8.08
Third Quarter	20.00	11.95
Second Quarter	25.68	19.13
First Quarter	19.78	10.19

2001	High	Low
Fourth Quarter	$ 11.00	$ 7.25
Third Quarter	19.05	6.83
Second Quarter	16.00	7.25
First Quarter	9.69	5.44

DURA
Automotive Systems

CORPORATE HEADQUARTERS
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